In the collection as received from the Dept. of Internal Affairs

Contains "A-E 99-37

"A" Collection

App. F. IX-4

1938.
(Legs)

File No. 34/38

Serial Nos.

Previous References
44-282-33 (7-12)
" 131-35 (7-10)
Legs app. 188-38.

Later References.
DE 257-39-1-5
R.T. 54-41-1
J & C. Def. M 1125 J 1942-43
EP. 24-66-2

(232)

PRESERVED

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. one only.

Part B for February 1939.

SUBJECT.

Promulgation into law of the Power Alcohol Bill.

Notification No. P 4375 (Legs 34-38) of 14.2.1939 ordered to be published in the Gazette for general information

WD 0573—GPB—22,500—12-9-39

Burgess Wagner Shaw
10/10/39.

General and Revenue Secretariat. A&E. File No. 99 of 1937 [A pp. F. III-2

Serial No.

From

The Chairman, The Nyasa Sugar Co., Ltd. Bilaha
No. B-14.10/1402 of 24.9.37.

Enclosing a brief note on the manufacture of Power alcohol in the Nuanza Sugar Factory.

Secy.)

1) I am inclined to tell the Chairman to go ahead with the scheme for the manufacture of absolute alcohol

Sd/- Sec. J.
25/9/37.

2) For personal.

Second member) Sd/- Sec. N. 25/9/37

3) Sd/- Sec. N. 25/9.

4) Urgent.

Sd/- Sec. N. 25/9.

NOTE-Contn. Sheet.

File No. of 19

General and Revenue Secretariat.

Serial No.

Manufacture of absolute alcohol ... in the Sugar.

1732

2

General and Revenue Secretariat — A&E File No. 99 of 1937. — [App. F. III–2

Serial No.

5 Subd with a draft as per Dewan's orders on the P.U.D.

28/9/37

Dewan

28.9.37

7 Three pamphlets pertaining

5.10.37.

6.10.37

8 & 9 Heard that the is in the Excise Branch

9 Subd with A&E 224-36-(1+2) (Linked file) & the previous A&E collections 131-35-(1-4), (5+6) & (7-10) put up in that file. This may be sent to the Excise Section to put up the papers on the subject, dealt with there.

7/10/37

(Init. DR)

10 The following files on the subject may be obtained from the Gen. Records

(1) Ex. 100(a) of 1933 sls 1+2
(2) Ex. 73-34 sls 1-9.
(3) Ex. 29-35. all sls. (i) 1, 3 & 6 (ii) 4 & 5 (iii) 7, 9 & 21 (iv) 8, 10 etc (v) 16 & 19.
(4) Ex. 22-36. sls 1+2
(5) Ex. 34-36-(i) 1+2 (ii) 3+4.
(6) Ex. Dep-73-36.
(7) Ex. Dep. 137-36.

8/10/37

11 The available files are put up. The case has all along been dealt with in the Excise Branch

Dewan

13.10.37

12 Draft D.O. letter to issue

25.10.37.

1a/6

14/

NOTE—Contn. Sheet.

RECEIVING SECTION 26 OCT. 1937 GENL. & REV. SECTT.

Manufacture of Absolute Alcohol in the Sugar Co.

3)

1732
3524

A&E File No. 99 of 1937

General and Revenue Secretariat

	Serial No.
D.O. No. 3194 dt 27-10-37 To Mark Sutton.	2
Asks him to proceed with the scheme for the manufacture of absolute alcohol.	
From The Secy, The Mysore Sugar Co.	3
No. B-14-3/3952 dt 3/1/38	
Requests sanction to a scheme of manufacturing absolute alcohol & to the grant of an assurance that necessary legislation will be introduced for the sale of absolute alcohol as a blend with petrol.	
13. Subd with previous papers. Hind refce is in this connection invited to the Residency letter dated 20/3/36 (A&E 131-35-5) & this office reply thereto. The proposals of the Sugar Co. to sanction the scheme & to give assurance to the co regarding legislation for sale of Absolute alcohol as a blend with petrol are for orders.	Q R
Hdo 5/1/38 16 As has been agreed already (M. D. O. R.) it seems necessary to intimate to Residency about the project.	
15 the question of levy of Excise Duty on manufactured Alcohol intended for sale has also to be determined 16 legislation for blending alcohol with Petrol was considered unnecessary	

Manufacture of Absolute Alcohol in the Sugar Co.

3524

4

General and Revenue Secretariat | AB | File No. 99 | of 1937. | [App. F. III—2

Serial No.

In the previous Note by the Chairman of 24-9-37, but the present Note contains it essential, and an assurance is needed from Govt. in this behalf.

16/
5.1.38.

Dep. Secy).

3447/37

17 The sugar company want the approval for Govt. Mysore to order the additional equipment required to produce absolute alcohol and an assurance that legislation will be undertaken to compel the Petrol companies to mix 10 to 20% of absolute alcohol with the Petrol sold in Mysore.

(1)

18 Before legislation is undertaken the petrol companies will have to be consulted and the Govt. of India also intimated vide letters flagged A & R in File No. A & R-131-35. This will take some time but it will also take the same amount of time if not more for the equipment to be manufactured transported and erected at Mandya. This is a problem in which not only Mysore but many provincial Govts. of India are taking interest and some solution will be found which will be

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-3-37

5

File No. of 193 . | General and Revenue Secretariat

former calculating the higher Prices obtained at also the Govt of India ~~so the~~ S The capital equipment is ~~also~~ 75.000 Rs and the Sugar Company may pending the settlement the matter be authorized to place orders for the equipment.

9 The worst that may happen is that the Sugar company will have to pay a duty of 10 as on every gallon sold for mixture with petrol in order to protect the fiscal ~~interests~~ revenue of the Govt of India

~~Adopting the calculations~~

20 The Petrol now sold in Mysore during the ~~current year~~ last calendar year may probably work out to 2.5 lakhs of gallons and if we prescribe 10% of absolute alcohol, about 2.5 lakhs of gallons will be wanted. Accordingly the Sugar Company can start with one lakh of gallons but they can reduce the scale of denaturing Spirits in selected areas and distil all the molasses available and work up to the 10%.

For 9 months Jan to Oct 18.80 204 gallons

21 Assuming that 10% is practicable for the mixture

Serial No.

and a retail price of Re 1-1-0 for petrol in Bangalore which would be lower than ever reached and that the Sugar company will have to pay an excise duty of 10 as a gallon, the position will be as follows.

Price of 9 gallons of petrol	9-9-0.
Price of 1 gallon of alcohol. 8 as + 1 as + 1 a + 2 as + 10 as	1-6-0
Total	10-15-0

Price per gallon 1-1-6.

22 It may mean the consumer will have to pay another 1/2 ana gallon. At the present rate there will be no extra charge.

23 There is therefore no risk in authorising the Sugar factory to place orders for the equipment. Steps may further advise at the address that the Govt of Mysore will take necessary steps to implement this decision.

24 Govt of India will have to be addressed and it has to be decided whether the Mysore Govt may agree to levy an excise duty of 10 as a gallon on alcohol used for mixing pending the final settlement of the terms of Federation

25 It is also a point for orders

WD 0417—GPB—30,000—8-9-36

1732 / 3524

Manufacture of absolute alcohol

AE File No. 93 of 193.. / General and Revenue Secretariat

Serial No.

DEWAN'S OFFICE 4565

OFFICE SECOND MEMBER EXECUTIVE COUNCIL - 6 JAN. 1939 No. 4844

whether the Chief Inspector of Mines may be requested to consult the Petrol companies in regard to the kind of legislation we may enact. We may await the reply from the Government.

The ~~proposed~~ bill will have to be ready for the consideration of the Assembly & Legislative Council in March when necessary steps will be taken up in which we require Secretariat help.

MW 6.1.38

IC 6.1.38

27 This could be done. A letter should be sent asking for particulars of increases in the Government (Chief Inspector) are going to do.

DEW 6.1.38

28 I generally agree in the views expressed above. As the subject is one of importance, it is better to discuss it at a Council meeting, if the Dewan approves.

DEW 8/1/38.

29 Dewan's MW 8.1.38

30 Mr IC 8.1.38

9-1-38

31 Chief Secretary will consult MW 10.1.38

IC 10/1

32 CB. 11/1/38

CHIEF SECRETARY'S OFFICE 11 JAN 19 GOVT. OF MYSORE.

8

For Disposal at a meeting. No. C. 230

1937-38

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

Subject

(clause.....of the schedule)

Manufacture of absolute alcohol in the Mandya Sugar Factory.

33

Circulated to the Members of Council.

By Order,

Cheif Secretary to Government.

11th January 1938.

4445
12-1-38

First Member of Council. 34

13/1

Second Member of Council. (Seen)

35 /A

C. 230

Extract from the Proceedings of the 966th *Meeting of the Council of His Highness the Maharaja, held at Bangalore on the* 3rd February 1938. *19*

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26. Subject. -

Manufacture of absolute alcohol in the Mandya Sugar Factory.

OPINION OF THE COUNCIL.

31

The Sugar Company may be permitted to proceed with the scheme for the manufacture of absolute alcohol and action may be taken to introduce the necessary legislation.

(Signed) MIRZA M. ISMAIL,

Dewan of Mysore.

36 Dev. Secy. w.c.

MS 4/2

CS 5/2

"EXTRACT"

Chief Secretary to Government.

WD 433—GPB—1,000—1-9-20

Manufacture of Absolute Alcohol 1/

3524

General and Revenue Secretariat A46 File No. 99 of 1937 [App. F. III—2

Serial No.

37 Subs for orders with a D.F.N. & a draft reply to the Sugar Company for consideration

HHO 8/2/38.

38 Secy.

IGS 8/2

39 After approval, a draft letter will also be put up to Revenue.

40 Secretary

Final Note signed by Member.

HW 9.2. IGS 9.2.38

CJB 12/2/38 Secy

HW 12.2.38. IGS 14/2

OFFICE OF SECOND MEMBER OF COUNCIL. 10 FEB. 1938 No. 5859

4078/37

5493

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-9-37

Final Note by the Second Member of Council.

Subject.—

Manufacture of absolute alcohol in the Mandya Sugar Factory.

42 The production of molasses in the Mandya Sugar Factory ha gradually increased from 1,750 tons in 1934 to nearly 8,000 tons during the current year, the larger production being due to the increased capacity of the Factory. Only a small portion of the molasses is required for the manufacture of potable spirits. Con siderable quantities are used at present for the manufacture of denatured spirits, etc., but the market for these products is un certain and the margin of profit very narrow. The production of power alcohol of 96 per cent strength for use as motor fuel, has been taken up as an experimental measure. But the results do no show that it is likely to be popular, unless the alcohol is de- hydrated and the mixture of a certain proportion of it with petro is made compulsory.

43) The Distillery plant at Mandya has been designed with the idea of eventually adding a Rectifier to convert the 96 per cent alcohol into absolute alcohol.

44) The Board of Directors of the Sugar Company have decided to manufacture absolute alcohol and have examined in detail the question of the additional plant that would have to be installed for the production of absolute alcohol and that it would be suf- ficient for the present if a dehydrating column be added to the existing plant together with additional storage and measuring tanks, pumps, piping and a steam boiler with a chimney. The ad- ditional equipment is estimated to cost Rs.75,400.

45) As in other countries, it would be necessary to have legi- lation for the compulsory use of a blend of absolute alcohol and petrol; the Sugar Company has sought for an assurance from Gover ment in the matter of introducing the necessary legislation prio

to embarking on the manufacture of absolute alcohol.

46) The proposals of the Company were considered in Council at the meeting held on 3rd February 1938 and the following resolution was recorded:-

"The Sugar Company may be permitted to proceed with the Scheme for the manufacture of Absolute Alcohol and action may be taken to introduce the necessary legislation".

47) I solicit the gracious approval of His Highness to the resolution of the Council.

MEMBER OF COUNCIL.

Bangalore,
12th February 1938.

17

Submitted to His Highness.

I submit herewith a Final Note by the Second Member of Council on the subject of Manufacture of absolute alcohol in the Mandya Sugar Factory

for His Highness' gracious approval.

Mirza M. Ismail
Dewan.

Bangalore,
15th February 1938.

14

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Manufacture of absolute alcohol in the Mandya Sugar Factory.

hh Chief Secy
MG
18-2-38

482

hg

Order.

~~KRW~~
16/2/38

MG
18.2.38

15

General and Revenue
Secretariat.

C. 230

SUBJECT :—

Manufacture of absolute alcohol in the Mandya Sugar Factory.

(*)

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Headquarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness' orders before/~~after~~ issue of orders. (*Vide* Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

Chief Secretary to Government.

Through the Secretary to Government,

Development Department.

21.2.38.

FIRST MEMBER OF COUNCIL.

28/2

6129
21.2.38

SECOND MEMBER OF COUNCIL.

21/2/38

May issue and return for orders.

22.2.38.

sl no. 4. Issued No. D. 6128 d 22/2/38

NOTE.—Contn. sheet.

WD 1170—G.P.B.—1,000—24-12-36

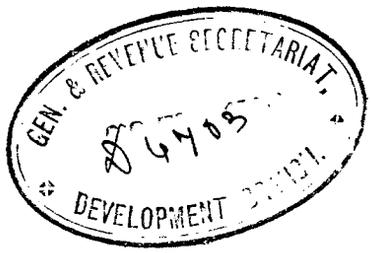
Secretary to Govt., Dev. Dept. with compliments.

26/2

16

Telephone Message.

24th February 1938. 8.25 p.m.



From

The Chairman,
The Mysore Sugar Coy.,
MANDYA,

To

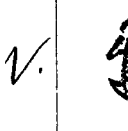
The Private Secretary
to the Dewan of Mysore,
MYSORE.

Thanks for your telephone message. Government sanction to the scheme (manufacture of absolute alcohol) was received by the Sugar Company yesterday (23rd instant).

Submitted.

Submitted

Pg V.


letter dt 22/2/38 to the Secretary, the Mysore Sugar Co Ltd has been issued Communicating the appl. of Govt, to proceed with the Scheme for the manufacture of absolute alcohol and stating that action will be taken to introduce the necessary legislation.

KM 26/2

The file is herewith submitted, as directed.

KM 26/—

28

D·3524 & 4703

General and Revenue Secretariat | File No. | of 193 . | [App. F. III—2

Serial No.	
	Subd with the file re the manufacture of absolute alcohol in the Mandya factory.
	26/2/38.
	Devers May
	24/2
	)
4	) D 6128 dy 22-2-38 to Secy Sugar Co.

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-9-37

Re Manufacture of Absolute Alcohol in the Mandya factory.

4703

A & E File No. 99 of 1937. | General and Revenue Secretariat

(62) Dft letter to the Residency Subd for consideration, as contemplated in paras 24, 25, 27 & 39

OFFICE OF THE SECOND MEMBER OF COUNCIL, 8 MAR 1938 No. 658

Hbbo 2/3/38

(63) A letter from Major Edwards, dt 20-3-38 (M. G.) is on the file, and is for perusal. A reply to this was sent by the Hon Ch. Secy. on 7-4-38 (M. R.).

(62) Govt has under consideration the revision of the Financial (Central) Govt., after the introduction of provincial autonomy. The Residency requires information on the proposed scale of taxation, if any, of alcohol issued to private owners of motor vehicles. It is for consideration if such alcohol will be subject to levy of duty by the Mys. Govt. under the Excise Act, as well as to levy of duty by the Central Govt.

CS 8/3.

4-3-38 3/3

Dy. Secy.)

(63) Fair draft

MW 4.3.38. KS 4/3

(64) Subd with a fair draft.

Hbbo 7/3/38

KS 7-3-38.

(65) (Secret Number)

TYPING SECTION, 7 MAR 1938 GEN'L & REV. SECTT.

9/3/38

4703

Manufacture of absolute alcohol in Madras Factory

General and Revenue Secretariat

File No. 99 of 193). [App. F. III—2

Serial No.

6136.

To Dewan

MW 8.3.38.

IC 9/3

67 MS 9-3-38

MW. 10.3.38.

68 IC 10/3

Issue 9/3

5 To The Secy to the Hon'ble the Resident.
No. pol. 1004 d 10/3/38
Informs of the decision of the Sugar Corp re the manufacture of absolute alcohol to be used as a blend with petrol for motor fuel under necessary legislation to be undertaken in the State & requests him to communicate the info to the Govt of India.

6 From The Secy, Sugar Co.,
No. Br-14.3/6436 d 9/3/38
States that orders have been placed for the purchase of the plant for the manufacture of absolute alcohol, in view to their suggestion re consultation with principal petrol companies before deciding on details of

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-8-37

proposed legislation & trusts that the latter will come to effect by the time the plant begins to work by about August 1938.

69 subs with previous papers. As regards consultation with petrol Companies, ~~regarding sketches~~ of kind refer is invited to paras 25 & 27 above.

11/3/38

11/3

1170 R/1/3

70 Dep. Secy.)

71) Please put up a draft D.O. letter to Chief Engineer Mandya for comments

2-3

1/2/3

72) Dft Subs for Consideration

16/3/38

17/3

73) Dep. Secy.)

74) The draft may be made a little more explanatory. We may even enclose a copy of the Sugar Company's letter.

17-3

4779 R/17/3.

75) Revised draft for consideration.

76 The draft may be approved. The Sugar Co's letter & enclosure are to be sent. The draft is not further amplified

21/3/38

4864/22/3

22/3

Dep. Secy.)

Manufacture of absolute alcohol in Mandya factory

5070

Serial No.

77)

22.3.38.

78 new 24/3/38

79 issue

...NCIL,
23 MAR 1938
No. 7057

7 D.O. No. 6983 dt 30-3-38 To—C.I. of Mines & Exp

Requests him to consult the various petrol companies on the terms of legislation and submit a report early.

8 From the Residency
No. R. Dis. No. 7·280-38/R.O. II dt 30/3/'38
Requests to know certain particulars re manufacture of absolute alcohol & to hold up action re installation of plant & making of the prescription re blend of petrol.

8 Subd. The Residency requires info on the following three points:-

1) The estimated annual output of power-alcohol plant;

2) If an excise duty on absolute alcohol would be levied & if so at what rate;

& 3) whether the excise duty would be surrendered to the Central Govt to compensate loss of revenue under customs on petrol.

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-8-37

22

Manufacture of absolute alcohol in Nandiya factory

5070.
5512.

A.H. File No. 99 of 1937. General and Revenue Secretariat

81 As regard 1) kind refce is invited to the infn given on page 3 of the note by the Company sent with letter dt 3/1/38. H: (A.H. 99-37-3) &.
The total annual output is estimated at 4,30,000 gallons of absolute alcohol of which only 1,00,000 gallons would be available for blending with petrol for use as motor fuel.

82 Regarding item 2) kind refce is invited to paras 21-28 above.

83 The third point is for orders as also holding up of action re installation of plant.
31/3/38. The Co. has been authorised to proceed with the scheme, in this office letter dt 22/2/38. V

84 Dev. Secy.) 1CC 31/3

85 A draft reply on all the points is suggested for consideration.
Secretaries
Third Secy
Joint Secy

5/20 31/3

FINANCIAL SECRETARIAT U.O.No.Fi. 3033 4. APR. 1938 BANGALORE.

2.6.38. 1CC/414

86 Revised draft letter Secretaries with corrections. Please put up
1 D.O. letter to Mr Dumasia for that he never put before acts in regards cancelling the Petrol contracts
2 D.O. letter to Secy Sugar Board that the Bombay regulations regards cancellation the Petrol contracts.

87 Please put up the final memorandum with draft Govt Memo in regards Federation

10807
18.6.38. 1CC/1814

Manufacture of Absolute Alcohol

.5512

General and Revenue Secretariat | File No. 99 of 1937. | [App. F. III—2

Serial No.				
88	Dfts of D.O. letters to Mr. Bor and the Secy. Lear Company are subs			
	After issue the memorandum will be obtained from the CB and put up for reference. Subd			
	18/4/38			
89	Secy.			
	90			
	15.4.			
	Issued			
	16/4/38			
9	D.O. No. 8144	d/ 20-4-38	To C.I. of Mines & Gp	
	Regrets him not to take further action re consulting petrol companies.			
10	D.O. No. 8143	d/ 20-4-38	To Mr Statham	
	Suggests that as Mr Aranha is a mining man may consult the petrol Companies, and suggest furnish their views to Govt.			
92	This may be sent to the C.B. for putting up the memorandum referred in para 87 above.			
	(C.B.)			
	21/4/38			
93	A copy of the final memo is put up herewith. Subd			
	21/4/38			
	Secy			
	C/S Fair copy of memo submitted Ramaswamy			
	2.5.38.			

5.571/38

Mr D. N
Please send me the file
C.S when he comes

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-4-37

24

Manufacture of Absolute Alcohol

5512

A&R File No. 99 of 1937. General and Revenue Secretariat

96 Subd with a fair draft to the Residency.

(Hbb 2/5/38. 97 Deeby).

98 I have spoken to Mr Ananth as above mentioned. He feels that the figures may remain as they are.

99 I have attached draft for a Forwarder

Secy Tuticorin

100 Mr 4/5/38

101 Dewan.)

102 Mr 5-5-38

103 Four copies to be ready by Secy tomorrow.

104 Issued 6/5

Pol 1234 dt 7-5-38 To Secy to Resident

furnishes the information asked for and states the Govt. point of view on the surrender of realisations.

105 To The C.B. to take the copy of the Memorandum & return the file.

9/5/38. 106 Copy of the Memorandum taken & the file returned

(Dewan)

SECOND MEMBER, EXECUTIVE COUNCIL, 3 MAY 1938

6861 6.5.38.

TYPING SECTION 6 1938

DEVELOPMENT BRANCH.

AtE 99-37-11

TELEPHONE No. 2133

FACTORY : MANDYA
(MYSORE STATE)

THE MYSORE SUGAR COMPANY, LTD.

TEL : ADD : 'MYSUGAR'

CODES USED :

A. B. C. 5TH EDN. & BENTLEY'S

"SANTHI BHAVAN"
SESHADRI ROAD

REF. No. B-14.10.

~~BANGALORE~~ CAMP MANDYA, 29th April 1938.

GEN. & REVENUE SECRETARIAT. DEVELOPMENT BRANCH.

SECOND MEETING COUNCIL, 7 MAY 1938 No. 8459

My dear Mr. Venkatanaranappa,

Re: Legislation for compulsory mixing of Absolute Alcohol with Petrol.

I am enclosing herein a note submitted to me by Mr. Ananthasubramanyam, indicating what transpired at the interview which he had with the Burmah Shell Oil Storage & Distributing Co. (India) Ltd., Madras, on Saturday the 23rd instant, for the information of Government.

Yours sincerely,

M. Venkatanaranappa, Esq., B.A.,
Secretary to Government,
Development Department,
Government of H. H. the
Maharaja of Mysore,
BANGALORE.

KM: TRR.
ENCL: ONE.

GEN. & REVENUE SECRETARIAT.

NOTE—Contn. Sheet.

Subd for perusal. Further reports will be awaited.

5/5/38.

Second Member

Dewan

10-5-38

10/5/38

Manufacture of Absolute Alcohol.

6172
6529

A&R File No. 99 of 1937

General and Revenue Secretariat

Serial No.

From The Residency

No. R. Dis. 7. 280-38/R.O. II dt 18/5/38 13

states that the proposals in sl 12 above have been sent to the Crown Representative & requests to defer the initiation of any legislation re blending of alcohol before being used as motor fuel, pending comments of the Crown Representative on the proposal.

112 Subd for orders with previous papers.

20/5/38

113 Further report from Dr. Anantakrishnamayyar & about the views of dealers & distributors of petrol on this matter are awaited.

114 The Sugar Coy. have placed orders already (vide sl. 6 above) for the plant for manufacture of absolute alcohol.

115 No action has been taken regarding legislation yet. The drafts can be prepared, perhaps, only after Dr. Anantakrishnamayyar's final reports are received.

20/5

Secy.

6247
23/5

Manufacture of absolute alcohol

General and Revenue Secretariat

File No. 99 of 1937. [App. F. III-2

Serial No.

OFFICE SECOND MEETING
24 MAY 1938
No. 8785

11b Draft reply for orders
Secretary
Dewan

MM 24.5.38.
24/5

117 The Dewan Secy may please speak to me
MM
25/5/38

The draft is approved
MM
28/5/38
MM 28.5.38.
Issue over Secy's signature.
Today
28/5

TYPING SECTION
26 MAY 1938
GEN. & REV. SECT.

14 Issued Pol 1316 to Secy to Resident 4 28-5-38.

States that H.H's Govt trust that the views of H.E. the Crown Representative will be communicated at an very early date.

Sub A
11b
4/6/38
1/6/38
D No.
Comp 6

120 Letter d 11/6/38 from the Secy, Mysore Sugar Co re Legislation for compulsory mixing of Absolute Alcohol with petrol is placed below after perusal by II Member.
11b

For papers 121, 122, & 123 see correspondence, page 60

NOTE—Contn. Sheet.

Manufacture of absolute alcohol.

73 V 161

General and Revenue Secretariat — A Sec — File No. 99 of 1937. — [App. F. III-2

Serial No.	
15	From The Secy, The Mysore Sugar Co. No-B-14.3/11276 d 7/7/38. Forwards Copies of letters 24/6/38 & 5/7/38 from the Standard Vacuum Oil Co, Madras & Burmah Shell Oil Storage & Distributing Co, Madras on legislation for Compulsory mixing of Absolute Alcohol with petrol.
1 (24)	Subd. The Residency letter d 4/7/38 may perhaps be Subd to the II Mem^r for perusal. Kind refce is invited to the last para of the letter d 5/7/38 from the Burmah Shell Oil Storage & Distributing Company.
1116	

OFFICE SECOND MEMBER BOARD 11 JULY 1938 No. 42

Vide previous page

11/7/38.

125 Dear Secy

11.7

126 For perusal & copy the Residency letter is being referred to the chairman Mysore Sugar Co. The full remarks of the Sugar Co will be called for at the point raised in the Burmah Shell oil Co.

Secy Tendered

11.7.

127 Yes

11.7

128 The drafting of a bill and necessary rules may be taken up early

12/7/38

12.7.38.

13/-

NOTE—Contn. Sheet.

9

File No. of 193

General and Revenue Secretariat

Serial No.

12/7 Please circulate

Please cancel Mr Matthews
a copy of your letter dated 9th inst
to myself from circulation.

Mm.
12.7.38

16
18

DEWAN'S MINUTE.

11 JULY 1938
No. 2115.18

FILE No. 193 .

GEN. & REVENUE SECRETARIAT.
DEVELOPMENT BRANCH.

130 Please send to the Chairman, Sugar Cos, a copy of the Residency letter regarding the manufacture of power alcohol by the factory — the last letter was a few days ago.

131 (2.) How does the question of legislation in Mal. Malleri stand.?

Mr
10-7-38

Dy. Secy,

132 1. A copy is being sent to the chairman.

133 2. This will now be worked up and be submitted placed before the next R. A.

134 There are also two points raised by the oil Companies. These will also be taken up with the Sugar Cos

Dewan

MW.
11.7.38.
KS/11.7

135 Mr
12-7-38
MW
12.7.38.
KS/13.7

136 Submd with two drafts with refce to paras 126, 127, 131 & 135 above.

13/7/38

137 A copy of the letter dt. 7.7.38 from the Resy. has already been sent to the Chman.

KS.
13-7

267
13/7

Dy Secy. 138
MW.

139 Issued
KS/14.7

Manufacture of absolute alcohol

188

General and Revenue Secretariat | A&R File No. 99 of 1937 | [App. F. III–2

Serial No.	
	To Rajamantrapravina Diwan Bahadur K. Matthan, Esq. B.A. Chairman, Mysore Sugar Co
	No. D. 335 d 14/7/38
	Forwards copies of correspondence with the Residency re manufacture of absolute alcohol at Mandya & legislation for mixing a certain percentage of it with petrol for use as motor fuel.
	To R. Anantasubramhanyam Esq B.A., B.L. Secy. Mysore Sugar Co.
	No. D. 336 d 14/7/38
	Requests him to furnish the remarks of the Sugar Co on the points raised by the Burmah Shell Oil Storage & Distributing Co of India, Ltd., Madras in their letter d 5/7/38
17	D 1056 d/ 10-8-38 To Ex. Commissioner
	Calls for legislative enactments and rules.
	from The Excise Comr.
	No. A2 238/38 d 13/8/38
	Forwards Copies of enactments in Chile, Brazil & Czechoslovakia regarding use of alcohol for industrial purposes.

NOTE—Contn. Sheet.

32 Manufacture of Absolute Alcohol.

878

A&E File No. 99 of 1937.

General and Revenue Secretariat

Serial No.

From Rajamantrapravina Diwan Bahadur K. Matthan d. 12/8/38.

Forwards a note re manufacture of Absolute Alcohol & promises to send a draft bill in a day or two.

1 Member's orders:-

1A The matter may be dealt with quickly, so that the general principles of the Bill may be placed before next R.A. meeting. Sd/- N.M.

1A1 XXX Please get the U.P. & Behar Reports. Sd/- M.V. 13/8

Phoned 14/8 for the Reports from the Sugar Co. Hbb

Sd/- K.S. 15/8.

From Rajamantrapravina Diwan Bahadur K. Matthan. d 15/8/38.

Forwards for consideration a tentative draft bill for compulsory admixture of alcohol with petrol.

1A2 Submd for orders with previous papers.

Hbb 15/8/38

1A3 Dev Secy. KB 15/8

1A4 According to the definition in the Mysore Petroleum act, 'Dangerous Petroleum' is petrol with a flash point below 70 deg. Fahrenheit. I believe this excludes Kerosene oil also

Serial No.

Anyway this will be further examined.

145 The provisions of the bill will also be further examined.

146 In regard to the chairman's note the following points require to be examined.

a) The cost of production of anhydrous alcohol is about 8 ad a gallon. The details have to be gone into including the rate at which the interest are charged by the Distillery.

b) The fee for the pair of the petrol company is now obtainable at 5 ad in place of 3 ad a gallon. This requires further examination. Petrol is sold in Bombay at about 1s ad a gallon. If the duty is 10 ad a gallon over the charge are 5 ad a gallon, There seems to be no cost for petrol itself.

c) Percentage of anhydrous alcohol to be mixed. Whether in the first instance it should be 10 or 15 %.

d) Whether it is necessary to prescribe denaturing by Methanol. The cost will have to be gone into

(e) Exemption of Bangalore city. The Kolar area cannot form Bangalore city. It may be difficult to justify the exemption of Bangalore city for the purposes of this act. The difficulties consequent on the act not applying to C.D. Station may perhaps be gone into in detail. It is also a point for consideration whether a [illegible] arrangement can be

NOTE—Contn. Sheet.

Legislation for the mixture of alcohol with petrol

878

34

File No. Agri of 193

General and Revenue Secretariat

Serial No.

147

I have arranged to discuss the P Holder report when the points will be fully examined.

MW.

OFFICE
SECOND MEMBER
16 AUG 1938
No. 1079

connected with the C.M. Police authorities Nilgiris Crop Protection Scheme started.

MW 15.8.

148 A statement of general principles of the legislation may be forthwith and when it is approved, the bill may be examined in the Legislative Dept

149 As regards the desirability of introducing the measure in Bangalore city and the proportion of alcohol that should be blended with petrol & also the rate of duty, these points have to be separately examined

150 Statistics of petrol sold in the State by districts may be obtained for this purpose. Meanwhile action may be taken as indicated at A above

MM

16/8/38

Extract taken & draft sent separately

Hotto

MW 16.8.38

168/16/8

151 Sent with a statement of general principles for consideration.

Hotto 17/8/38.

152 Typed draft please

168/17/8

153 Sent with a typed draft.

Hotto 18/8/38.

168/18/8.

154 Dev. Secy.)

8/32/1938

Serial No.

154(a)

178. Extract of Member's orders in para 150 of file 99-37 re legislation for mixing alcohol with petrol for motor fuel:-

"Statistics of petrol sold in the State by Districts may be obtained for this purpose"

154(b) In regard to the introduction of the measure in Bangalore city of the proportion of alcohol that should be blended with petrol & also the rate of duty — points to be examined separately.

Subd. The following is an extract of the Brief Report on the working of the Dept of Mines & Explosive for 1937-38:-

"The total quantities of dangerous & non-dangerous petroleum imported into the State during the Calendar year 1937 were 2,535,378 and 3,956,640 gallons respectively, as against 2,068,789 and 3,858,118 gallons during 1936."

Dft D.O. to the Chief Insp^r of mines & explosives re quantity of petrol sold by Districts during 1936 & 1937 is Subd for orders.

27/8/38.

154(c) Issues

D.O. No) 1397 dy 27-8-38 To C.I. of mines & Exp

calls for the statistics by Districts.

NOTE—Contn. Sheet.

REVENUE SECRETARIAT DEVELOPMENT BRANCH.

Legislation for using alcohol with petrol for motor fuel.

36

1268

File No. of 193 .

General and Revenue Secretariat

Serial No. 19

From The Ch. Insp. of Mines etc.

No. 4007/Genl d 30/8/38

forwards the info called for above.

15/9/38 Submd. The main file is under scrutiny in the Legis Br. This will be placed in that file when it is recd back.

Attd 31/8/38.

168

1-9

Legislation for mixing alcohol with petrol

878

1433/38

General and Revenue Secretariat A46 File No. 99 of 1937. [App. F. III-2

SECOND MEETING
27 AUG. 1938
No. 1372

Serial No.

154 Statement of general principles laid for approval. Reference is made to the last clause for which there is no provision in the bill as drafted

Secretariat

MW 26-8-38

HS/26/8

156 Secretariat

29/8/38

154 to Secretariat Legislative

MW 29.8.38.

HS/30.8.

hsp 30.8

156. The draft bill has been examined. It is a point for consideration if the Power "alcohol" may not be defined in the Act. Provisions for inspecting dealers mixing petrol with alcohol may be made on the lines of sections 11 and 12 of the Petroleum Act 1925 may perhaps be included.

Rules may provide for this hsp 1.9

159 Imposition of

NOTE—Contn. Sheet.

36 Power alcohol Act 1433

File of 193 | General and Revenue Secretariat

Serial No.

excise duty is kept to
rules. It is perhaps desirable
to provide for power
to levy such duty
in the body of the Act
& the other provisions
seem to be all right.

(58) The statement of
general principles
has been approved.
It is for orders if
pending approval
of the bill copies of
the Statement may
be given to R. A officers
& Cus & Excise. For orders.
B.1/8/38.

(59) Alcohol has been referred to in the
bill in various places. The Statement of Gen
principles shows that the alcohol intended
for admixture shall be of 99.5 purity
It is therefore desirable to explain what
strength of alcohol is meant & we may add
another sub clause to cl 2(1) and as follows
'Alcohol in this Act means
Alcohol of not less than 99.5 purity

S78 V 1202 1433

Power Alcohol Act.

General and Revenue Secretariat | File No. | of 193 . | [App. F. III–2

Serial No.

16a) If provision is made for levy & collection duly in the Act itself rules can be framed for the mode & quantity of levy &c without any provision for such a levy in the Act. The rules framed for levy & collection will be ultra vires

16b) A new clause or clauses may be added as follows: "(1) Government may levy an excise duty on alcohol sold by any distillery licensed to admixture with petrol governed by this Act at rates to be fixed by a notification published in the Official Gazette" & clauses may be renumbered

16c) The other clauses seem to be suitable for the purpose intended

sd/ Seez) 1/9

16d) It is suggested in the linked file that aviation petrol should be exempted from the operation of the Act. We may have to add another clause as follows

"Nothing contained in this Act shall apply to petrol required for aviation"

Vice Reg. in the file

sd/ Seez) 1/9

16e) Subd with refce to para 157 supra

Sd/ 2/9

16f) These suggestions may

NOTE—Contn. Sheet.

40 The Power Alcohol Act-

878\1202

Agri File No. 99 of 1937

General and Revenue Secretariat

Serial No.

perhaps be accepted. This was discussed by the Under Secy with me.

165
2.9.

SECOND MEMBER
3 SEPT. 1938
No. 1654

Dear Secy,

1056
2/9

168) I do not know if the definition of alcohol is necessary at all. The rule making power under this Act is considered necessary, we may have to add to the definition suggested the words "ethyl" after "means" and before "alcohol" and after "or" with the additional powers of denaturant that may be prescribed under the rules". The suggested amendment

169) I consider it necessary.

Secretary)

MW
2.9.38.

The suggestion of the Under Secy and the Dear Secy are flagged O in the file

165
2.9

170 MW
5/9/38

171) For approval of Govt under the rules to be prescribed by circulation.

Please keep clean copies ready

Dewan)

MW
5.9.38.

DEWAN'S OFFICE
6 SEPT. 1938
1741

165
5.9.

TYPING SECTION
5 SEP. 1938
GENL & REV. SECTT.

172 Secy
5-9-38

173) Chief Secy
with comments

MW
7.9.38.

174
Secy

165
7.9.

Sir, memo in put up. Signed 8/9/38

Signed MW 9/9

176

For Disposal by Circulation. **No. C. 101**

.....of 1938-39

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

Subject

Bill to provide for the mixture of Alcohol with Petrol for use as Motor Fuel in Mysore.

176 *Circulated to the Members of Council.*

By Order,

9th September 1938. *Chief Secretary to Government.*

177

2280 10-9-38 **First Member of Council.** 12/9

Second Member of Council. (Seen.)

178 Dep. Secy. with Compliments. 13.9.38

179 D.P.N. 13.9.38.

180 Subd with a D.F.N. for consideration. 14/9/38.

181 Dep Secy.) 14-9.

183 F.N. Signed by Member 15.9.38 Secy. 19.9. 15.9. 15.9.

The power Alcohol Act

1202

General and Revenue Secretariat | A 46 | File No. 99 of 193 7. | [App. F. III–2

Serial No.	
154	Subd with a D.S.N.
	19/9/38.
2931	Draft cog
1331/1917	Dewang

11(5)/19-9.

W.F. 11(5)/20-9.

NOTE—Contn. Sheet.

Final Note by the Second Member of Council.

Subject.—

Bill to provide for the mixture of alcohol with petrol for use as motor fuel.

185) In pursuance of the resolution of the Council dated 3rd February 1938, which was approved by His Highness, the Mysore Sugar Company was permitted to proceed with the scheme for the manufacture of absolute alcohol. It is expected that the rectifying plant will be ready for operation early in 1939.

186) In pursuance of the assurance given to the Mysore Sugar Company in this connection, it is necessary to provide by legislation for the compulsory admixture of petrol with a specified percentage of absolute alcohol for use in motor vehicles. The Government of India was informed through the Residency of the action proposed to be taken for this purpose. In making note of the Mysore Government's intention, the Government of India have observed that the Central Government reserves to itself the right should it be found necessary at any time, to protect its own revenue interests (a) by prohibiting the importation of the mixed motor fuel into territories under British Indian administration or taxing it on such importation, and (b) by making such adjustments as may be suitable in connection with the distribution of the share of the petrol tax (two and half annas per gallon) which is assigned to the Road Fund.

187) In regard to these stipulations, it may be pointed out that there is no likelihood of petrol blended with alcohol being exported from the State into British India. And as for any adjustment of the share of petrol tax assigned to the Road Fund, it is hoped that the question may not arise as the quantity of petrol displaced by absolute alcohol would be comparatively small, at least for some time to come.

188) A Bill has been drafted, in consultation with the Mysore

Sugar Company, providing that the Government may direct that, in any local area, no petrol shall be sold or kept for sale, except with an admixture of alcohol. The proportion of alcohol will be notified by Government from time to time, but will, in no case, be more than 25 per cent or less than 5 per cent by volume. Some details of the proposed legislation and the arrangements to be made with the petrol companies require to be further examined in consultation with the interests concerned. Meanwhile, with the assent of the Dewan and the First Member of Council, I solicit the gracious approval of His Highness to place the general principles of the Bill before the Representative Assembly at its next meeting.

N M Rama Rau

MEMBER OF COUNCIL.

Bangalore,
16th September 1938.

45

Submitted to His Highness.

189 I submit herewith a Final Note by the Second Member of Council on the subject of a Bill to provide for the mixture of alcohol with petrol for use as motor fuel, for His Highness's gracious approval.

S Rajagopal

FIRST MEMBER OF COUNCIL
(In charge of the current duties of the Dewan)

Bangalore,
20th September 1938.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Bill to provide for the mixture of alcohol with petrol for use as motor fuel in Mysore.

1891 Ch Le M

JJ 23/9

No. 205

1938 *Order.*

~~KRW~~

22/9/38

MK 24.9.38

C. 101

General and Revenue
Secretariat.

SUBJECT :—

Bill to provide for the mixture of alcohol with petrol for use as motor fuel in Mysore.

(*)

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Headquarters and then sent to the Secretariat concerned for the issue of orders.

1) Circulated to Members of Council for perusal of His Highness' orders ~~before/after~~ issue of orders. (*Vide* Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

*

Chief Secretary to Government.

Through the Secretary to Government,

~~Finance~~ Department.

29.9.38.

FIRST MEMBER OF COUNCIL.

2296
29.9.38

SECOND MEMBER OF COUNCIL.

30/9/38

2) Secretary to Govt., Dev Deptt., with compliments

3579

3053

NOTE.—Contn.-sheet.

WD 1170—GPB—1,000—24-12-36

Power Alcohol Bill 1937 (48

1202

General and Revenue Secretariat A&E File No. 99 of 1937. [App. F. III–2

Serial No.

195 Subd. The general principles of the Bill did not receive the approval of the R.A. It is for orders if the Bill may be placed before the L.C.

1/10/38. 196 The bill has to be placed before the next Session of the L.C. The file will be sent to the Prohn Br. (L.C. Section) if appd.

Dy Secy. 1/10.

197 2.10.38

Under Secy. 1/10.

Prohn Br. 3/10

198 Subd. with a copy of the proceedings of the R.A. on the Bill

199 The general principles were not accepted by the R.A.

200 Subd. for orders if the Bill may be published under Rule 8 of L.C. rules for being introduced in the next L.C.

H.E

H.G.

201 The St. of general principles with, if any, to be adopted as St. of objects & reasons.

See 27/10/38

NOTE—Contn. Sheet.

D-786/L.C.

49 Power Alcohol Bill 1433

File No. of 193

General and Revenue Secretariat

Serial No.

DEWAN'S OFFICE
3 NOV 1938
No. 3099

C.I.
SECOND MEMBER
3 NOV 1938
No. 3461

OFFICE OF THE SECRETARY
7 NOV 1938
REPRESENTATIVE ASSEMBLY
AND
LEGISLATIVE COUNCIL.

20 The bill with the Statement of Objects & Reasons (Gen principles which be treated as such) will be published under rule 8 of the Rules of Business L.C.

Dear Secretary
2nd Member
& Dewan

by
3-11

203 MM
8/11/38

204 MM
3-11-38
by
4-11

205 20 L.C. Office with 3 copies of Bill as so of objects and reasons.

Sec
7/11/38 206
MM Three copies taken and the file put to Prot. Br.

8/11/38 by 8.11

keys

207 The Bill has been published in Extra. for orders if the following motions may be included in the agenda for the ensuing session of the L.C.:

1433

50

Prevention of Terrorism Bill

General and Revenue Secretariat | File No. | of 193 . | [App. F. III—2

Serial No.

(a) Motion that this bill be read in council.

Mover First Member

Seconder Dev. Secy.

(b) Motion that this bill be referred to a Select Committee.

Mover: First Member

Seconder:— Dev. Secy.

5-1-39

208 In view of the urgency of the bill this may not perhaps be referred to a S-C this may be passed on the Sitting Suspending the Rules & Business & Standing orders. Motion (b) may be omitted

1st Member

5-1

209 Would it not be possible to get the report of the Select committee during the session & pass the bill?

Dev

5/1/39

6-1

210 In the cases of ex. P. Ordr amendment bills in Dec 1933 Legislative Assembly bills in

OFFICE OF THE FIRST LEGISLATIVE COUNCIL
JAN 5 1939
5416

NOTE—Contn. Sheet.

WD 0544—GPB—30,000—2-9-83

57

D.1033/Le 1437

Powers Alcohol Bill

File No. of 193 | General and Revenue Secretariat

June 1934 and Wireless Telegraph Bills in January 1937 the Bills were reserved for S. Rs and the Legislative consideration of the Bills passed at the same Session.

~~In the Case of Modification~~

56 6/1/39. It is quite possible to see the reports of the S.C during the Session etc. if we have the S.C Meeting on any morning during the Session as was done in the Case of Wireless Telegraphy bill

(~~Remarks~~) If approved the Motions (a) & (b) may stand

(~~Remarks~~)

hp 6.1

21 Nov 6/1/39

hp 6.1

23 to the Officer for note & return

54 9/1 24 Noted & returned.

BVN 10-1-39 Protg Cy

B 11-1-39

OFFICE OF THE FIRST [illegible] SECRETARIAL
JAN 6 1939
No 5445

OFFICE OF THE SECRETARY
9 JAN. 1939
REPRESENTATIVE ASSEMBLY AND LEGISLATIVE COUNCIL

Power Alcohol Bill.

General and Revenue Secretariat | File No. | of 193 | [App. F. III—2

Serial No.

4 FEB 1939
563.2

215 The Bill was referred to a Select Committee Consisting of (1) The First Member (Chairman)

(2) Diwan Bahadur N. N. Ayyangar

(3) Mr. H. V. Ramaswamy

4 " T. G. Rama Iyer

5. " M. Venkatanarasappa

6 " R. C. Morris

7 " J. Md. Imam

8 " D. S. Mallappa

9. " B. R. Puttanarjappa

with instructions to report during this Session alone. The Select Committee met on the 27th inst and the report was considered by the Council on that day itself and the Bill as amended was passed by it.

216 ~~A draft final note is submitted.~~

30.1.39. 217 draft as required. Lodge by 1.2

218 Revised draft is submitted.

1.2.39 (Sd- Member) by 1.2.39

219 Signed Final Note is placed in file.

2/2/39 220 Sd/- with D.O.M. Devan) by 3.2.39

OFFICE OF THE FIRST MINISTER & SECRETARY
FEB 2 1939
No. 6191

DSM & fr up.

NOTE—Contn. Sheet.

WD 0544—GPB—30,000—2-9-83

File No. of 193 .

General and Revenue Secretariat

53

Final Note by the First Member of Council.

Subject.—

Promulgation into law of the Power Alcohol Bill.

2-1 On the 22nd September 1938 His Highness was graciously pleased to accord sanction to place the general principles of the Bill to provide for the mixture of Alcohol with Petrol for use as motor fuel in Mysore, before the Representative Assembly. The general principles were placed before that House at its Dasara session of 1938, but that House did not approve of them on a misapprehension regarding the scope of the Bill. The Bill was, however, introduced in the Legislative Council at its recent session and was referred by it to a Select Committee. The Bill as revised by the Select Committee was considered by the Legislative Council on the 27th January 1939 and passed by it.

2-2-2 I solicit the gracious sanction of His Highness for promulgating the Bill into law.

MEMBER OF COUNCIL.

Bangalore,
2nd February 1939.

54

Submitted to His Highness.

225 *I submit herewith a Final Note by the* First *Member of Council on the subject of* the promulgation into law of the Power Alcohol Bill,

.....

for His Highness' gracious ~~*approval.*~~ sanction.

Mirza M. Ismail
Dewan.

Camp Jog,)
5th February 1939.)

55

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Promulgation into law of the Power Alcohol Bill.

224
Ca

9-2-39

No. 546

Order.

~~KRAU~~
7/2/39

MS
9.2.39

H. H 565 (50)

General and Revenue
Secretariat.

SUBJECT:—
Promulgation into Law of the Power Alcohol Bill.

(*)

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Headquarters and then sent to the Secretariat concerned for the issue of orders.

2nd Circulated to Members of Council for perusal of His Highness' orders before/~~after~~ issue of orders. (*Vide* Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

Chief Secretary to Government.

Through the Secretary to Government,

2nd MW. ~~Development~~ Department.
9.2.39.

6409
9.2.39.

FIRST MEMBER OF COUNCIL.
2nd The framing of the rules & other necessary action may be taken speedily
MW
10/2/39

7311
10.2.39

SECOND MEMBER OF COUNCIL. 2nd
10/2

Dev. Secy. with compliments.

MW
10/2

MW
10.2.

2nd Do. to Secy. Agra Co. to explain the ~~delay~~ delay in framing rules.

NOTE.—Contn. sheet

WD 01152—GPB—750—21-12-38

Power Alcohol ~~Bill~~ ~~Act~~ VIII of 39

Regd 34738 12.02.39

General and Revenue Secretariat

AFG File No. 99 of 1937 [App. F. III—2

Serial No.	
229	Dft D.O. Subd.
	11/2/39
	230 Issued No. D.7389 dt 11/2/39
231	Subd. This may now be sent to the Prot Br for further action.
	11/2/39
	232 Prot Br.
233	This Bill has received the previous sanction of this Department for being promulgated into law on 7.2.1939. A draft G.O. directing its publication as Act VIII of 1939 is submitted.
	13.2.39 (Gen Secy)
	234 14.2.39
235	Issued G.O. No P 4375 dated 14.2.39 directing publication as Act VIII of 1939

GENERAL SECRETARY. 13 FEB. 1939

A Lee 11.3.39

NOTE—Contn. Sheet.

WD 0544—GPB—30,000—2-9-83

Statement of General Principles of the Power Alcohol Bill.

The profitable disposal of molasses is a problem that is facing the Sugar Industry in India and the suggestion has been made that a way may be found for the disposal of a portion of the alcohol made from molasses by prescribing that the fuel used in motor vehicles should contain a percentage of anhydrous alcohol blended with petrol. Such a mixture has been prescribed in a number of countries to encourage the use of local material to some extent and ~~to have~~ minimise dependence on imported supplies a ~~ready source of fuel available~~ of motor fuel in ~~the country instead of being wholly~~ dependent upon ~~outside~~ imports.

Investigations in India and abroad have shown that the mixture, provided the alcohol is not less than 99.5% purity and its proportion is limited to about 25%, is not less efficient in its fuel value, than petrol and ~~even improves the~~ that it anti-knock properties. No change is called for in the mechanism of the engine of any other part of the motor and the mixture can be used in the same manner as -- petrol.

~~can have an advantage~~ for the smooth running of vehicle.

The Mysore Sugar company expect to have the plant for the manufacture of

57

anhydrous alcohol before the end of the year and this bill is ~~intended to take~~ the object of to enable Govt in respect of areas notified for the purpose ~~power to Government~~ to prescribe that anhydrous alcohol should be mixed with petrol before it is sold to the public, to prescribe the percentage of alcohol, its purity and price, to prescribe the rate of excise duty to be levied on alcohol and to provide for punishment for the contravention of the Act or Rules to be made thereunder.

Necessary arrangements will be made with the Petrol Companies for the proper blending and sale of the mixture and to regulate the price at which the mixture is sold.

15/7/48

Orig

An Act to provide for the mixture of Alcohol with Petrol for use as motor Fuel in Mysore.

- - - -

PREAMBLE. Whereas it is expedient to make provision for the development of the Power Alcohol industry in Mysore by requiring its compulsory admixture with petrol for use as motor fuel, it is hereby enacted as follows:-

Short Title and Extent. 1. (i) This Act may be called the Power Alcohol Act, 1938.

2. (ii) It extends to the whole of Mysore.

Definitions. 2. In this Act, unless there is anything repugnant in the subject or context -

(a) "Distillery" means any premises wherein or within the precincts of which alcohol is distilled from molasses;

(b) "Petrol" means dangerous petroleum as defined in the Mysore Petroleum Act, I of 1923.

(c) "Alcohol" ~~in this Act~~ means ethyl alcohol of not less than 99.5 % purity with the additions of suitable denaturants that may be prescribed under the rules.

3. (i) The Government may, by notification in the Official Gazette, direct that in any local area no petrol shall, from such date as may be specified in such notification, be sold or kept for

sale except with an admixture of anhydrous Alcohol manufactured in the State.

(ii) The Alcohol to be employed for such admixture shall be obtained from a distillery established by or with the sanction of Government and the price to be paid to the owner of the distillery for the alcohol shall be fixed by Government from time to time.

(iii) The proportions of petrol and alcohol in such mixture shall be as notified by Government in respect of each local area and may be enhanced or reduced from time to time but the proportion of alcohol in the mixture shall in no case be more than 25 per cent or less than five per cent by volume.

4. Government may levy an excise duty on alcohol intended for admixture with petrol sold by any distillery governed by this Act at rates to be fixed by a Notification published in the Official Gazette.

5. Whoever contravenes the provisions of section 3 shall be punishable with fine which may extend to one thousand rupees and in the case of a continued contravention with a further fine which may extend to one hundred rupees for every day during which the contravention is continued after conviction therefor.

6. No prosecution under this Act shall be instituted except under the authority of a District Magistrate.

7. No offence made punishable by this Act or by any rule made thereunder, shall be tried by a court inferior to that of a Magistrate of the First Class.

8. (i) The Government may make rules for the purpose of carrying into effect the provisions of this Act.

(ii) In particular and without prejudice to the generality of the foregoing power, such rules may

(a) prescribe specifications and tests in respect of the purity of alcohol intended for admixture with petrol in order to ensure its suitability for use on motor vehicles;

(b) provide for determining the price to be paid to the owner of a distillery for alcohol supplied for purposes of admixture with petrol;

(c) provide for imposing and collecting a duty of excise on alcohol intended for admixture with petrol;

(d) prescribe conditions in respect of the transport and storage of alcohol intended for admixture with petrol and for the manner in which the admixture is to be effected;

(e) prescribe the submission by the manufacturers of alcohol and importers

and distributors of petrol of returns regarding the quantities of an-hydrous alcohol and petrol, manufactured, purchased, stored and sold.

(iii) Rules made under this Act may provide that any contravention of such rules shall render the offender liable on conviction before a Magistrate to a fine not exceeding Five hundred rupees.

9. Nothing contained in this Act shall apply to petrol required for aviation.

Q.C. Dt. 1938

An Act to provide for the mixture of Alcohol with Petrol for use as Motor Fuel in Mysore.

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PREAMBLE. Whereas it is expedient to make provision for the development of the Power Alcohol industry in Mysore by requiring its compulsory admixture with petrol for use as motor fuel, it is hereby enacted as follows:-

Short Title and Extent. 1. (i) This Act may be called the Power Alcohol Act, 1938.

(ii) It extends to the whole of Mysore.

Definitions. 2. In this Act, unless there is anything repugnant in the subject or context -

(a) "Distillery" means any premises wherein or within the precincts of which alcohol is distilled from Molasses;

(b) "Petrol" means dangerous petroleum as defined in the Mysore Petroleum Act, I of 1923.

(c) "Alcohol" ~~in this Act~~ means ethyl alcohol of not less than 99.5 % purity with the additions of suitable denaturant that may be prescribed under the rules.

3. (i) The Government may, by notification in the Official Gazette, direct that in any local area no petrol shall, from such date as may be specified in such notification, be sold or kept for

sale except with an admixture of anhydrous Alcohol manufactured in the State.

(ii) The Alcohol to be employed for such admixture shall be obtained from a distillery established by or with the sanction of Government and the price to be paid to the owner of the distillery for the alcohol shall be fixed by Government from time to time.

(iii) The proportions of petrol and alcohol in such mixture shall be as notified by Government in respect of each local area and may be enhanced or reduced from time to time, but the proportion of alcohol in the mixture shall in no case be more than 25 per cent or less than five per cent by volume.

4. Government may levy an excise duty on alcohol intended for admixture with petrol, sold by any distillery governed by this Act, at rates to be fixed by a Notification published in the Official Gazette.

5. Whoever contravenes the provisions of section 3 shall be punishable with fine which may extend to one thousand rupees and in the case of a continued contravention with a further fine which may extend to one hundred rupees for every day during which the contravention is continued after conviction therefor.

6. No prosecution under this Act shall be instituted except under the authority of a District Magistrate.

7. No offence made punishable by this Act or by any rule made thereunder, shall be tried by a court inferior to that of a Magistrate of the First Class.

8. (i) The Government may make rules for the purpose of carrying into effect the provisions of this Act.

(ii) In particular and without prejudice to the generality of the foregoing power, such rules may

(a) prescribe specifications and tests in respect of the purity of alcohol intended for admixture with petrol in order to ensure its suitability for use on motor vehicles;

(b) provide for determining the price to be paid to the owner of a distillery for alcohol supplied for purposes of admixture with petrol;

(c) provide for imposing and collecting a duty of excise on alcohol intended for admixture with petrol;

(d) prescribe conditions in respect of the transport and storage of alcohol intended for admixture with petrol and for the manner in which the admixture is to be effected;

(e) prescribe the submission by the manufacturers of alcohol and importers

and distributors of petrol of returns regarding the quantities of anhydrous alcohol and petrol, manufactured, purchased, stored and sold.

(iii) Rules made under this Act may provide that any contravention of such same rules shall render the offender liable on conviction before a Magistrate to a fine not exceeding Five hundred rupees.

9. Nothing contained in this Act shall apply to petrol required for aviation.

Statement of General Principles
of the Power Alcohol Bill.

- - -

The profitable disposal of molasses is a problem that is facing the Sugar Industry in India and the suggestion has been made that a way may be found for the disposal of a portion of the alcohol made from molasses by prescribing that the fuel used in motor vehicles should contain a percentage of anhydrous alcohol blended with petrol. Such a mixture has been prescribed in a number of countries to encourage the use of local materials to some extent and to minimise dependence on imported supplies of motor fuel, ~~imports~~.

Investigations in India and abroad have shown that the mixture, provided the alcohol is not less than 99.5% purity and its proportion is limited to about 25%, is not less efficient in its fuel value than petrol and that its anti-knock properties constitute an advantage for the smooth running of vehicles. No change is called for in the mechanism of the engine or any other part of the motor and the mixture can be used in the same manner as petrol.

The Mysore Sugar Company expect to have ~~the~~ a plant for the manufacture of anhydrous alcohol before the end of the year and the object of this bill is to enable Government to prescribe in respect of areas notified for the purpose that

anhydrous alcohol should be mixed with petrol before it is sold to the public, to prescribe the percentage of alcohol, its purity and price, to prescribe the rate of excise duty to be levied on alcohol and to provide for punishment for the contravention of the Act or Rules to be made thereunder.

Necessary arrangements will be made with the Petrol Companies for the proper blending and sale of the mixture and to regulate the price at which the mixture is sold.

Report of the Select Committee on the Mysore Power Alcohol Bill.

We the members of the Select Committee to which the Mysore Power Alcohol Bill was referred have considered the several clauses of the Bill and beg to submit this our Report:

Clause 2. In sub clause (a), we recommend that the words 'distilled from molasses' be omitted and the word 'manufactured' be substituted therefor.

Sub Clause (c): The Excise Act of 1901 and the rules framed thereunder already provide for the denaturization of spirits. The percentage of purity of alcohol required under this sub-clause is also somewhat high. We therefore, recommend that the following may be substituted for the existing sub-clause:--

"Alcohol" means ethyl alcohol of not less than 99.4 percent purity, denatured according to the provisions of the Excise Act."

Clause 3. As the word 'Alcohol' as defined in clause 2 means anhydrous alcohol, we consider the word 'anhydrous' unnecessary and may be deleted.

Clause 8. As no provision is made in the Bill regarding the authorities who should exercise the functions under this Act, we suggest the addition of the following as item (f) under sub-clause (ii):-

"(f). provide for the authorities by whom functions under this Act are to be discharged and prescribe their duties and powers."

Clause 9. As we find it necessary that petrol required for aviation and for some other special purposes should be exempted from the operation of this Act, we recommend that the following clause may be substituted for the existing clause 9:--

~~Gover~~"Notwithstanding anything contained in this Act, Government may, by notification published in the official Gazette, declare that the provisions of this Act shall not apply to petrol required for aviation or other special purposes."

Report of the Select Committee on the Power Alcohol Bill.

several clauses of the Bill, but they to submit that our Hon'ble Power Alcohol Bill was referred have considered the

e the Members of the Select Committee to which the

Clause 2. In sub-clause (3) we recommend that the words "distillation from molasses" be omitted and the word "manufactured" be substituted therefor.

Sub clause (6): The Excise Act of 1-11 and the rules framed thereunder already provide for the denaturing of spirits. The percentage or purity of alcohol required under this sub-clause is based somewhat high- for the existing sub-clause.

Therefore, recommend that the following may be substituted

"Alcohol" means ethyl alcohol of not less than 99.4 percent purity denatured according to the provisions of the Excise Act

Clause 3: As the word 'Alcohol' as defined in clause 2 means anhydrous alcohol, we consider the word 'anhydrous' unnecessary and may be deleted.

Clause 8. As no provision is made in the Bill regarding the authorities who should exercise the functions under this Act, we suggest the addition of the following as item (i) under sub-clause

"(i) Provide for the authorities by which functions under this Act are to be discharged and prescribe their duties and powers"

Clause 9. As we find it necessary that model regulations for variation and for some other special purposes should be exempted from the operation of this Act. We recommend that the following clause may be substituted for the existing clause 9:-

"Nothing in the preceding sub-clause contained in this Act shall be deemed to require variation or other special purposes

Clause 5. Mr. D.S. Mallappa suggested that sub-dealers who innocently sell petrol mixtures supplied by their principals containing less than the prescribed percentage of alcohol should not be subjected to the provisions of clause 5, if on testing it was found that the petrol sold by them was not of the mixture prescribed under this Act. He suggested that the principals who supply such petrol mixtures must be made liable. If the sub-dealer is found not liable for the defect of the mixture, there should be sufficient scope in the law to exempt him from the operation of this section and to proceed against the persons responsible for the supply of the defective mixture. The majority of the members are, however, of opinion that no provision is necessary for this purpose and that clause 6 of the Bill which provides that no prosecution shall be instituted without the sanction of the District Magistrate, is calculated to secure the object in view.

As the Bill has not undergone any material change, we consider it unnecessary to republish the Bill as amended by us.

(Signed) N. Madhava Rau (Chairman)

" N.N. Ayyangar

" H.V. Ramasvami

" M. Venkatanaranappa

" T.G. Rama Iyer

" J. Mahomed Imam

" D.S. Mallappa

" R. C. Morris

" B. R. Puttanajjappa.

Clause 3. Mr. D.S. Reitzbee suggested that sub-section (3) of section 3 should be deleted as the petrol-mixtures supplied by their principals contained less than the prescribed percentage of alcohol, which was not be subjected to the provisions of clause 5. It was found that the petrol sold by them was not of the mixture prescribed under this Act. He suggested that the principals who supply such petrol mixtures must be made liable. If the sub-section is found not liable for the decision or the mixture, there should be sufficient cooperation and to proceed against the persons responsible for the supply of the defective mixture. The majority of the members are, however, of opinion that clause 6 of the Bill which provides that purpose and that clause 4 of the Bill is necessary for the protection of the District Magistrate is obtained to secure the object in view

We consider it unnecessary to reprint the Bill as amended by us.

(Sd) M. Madhava Rau (Chairman)

M.M. Ayyangar

H.A. Ramasami

M. Venkatasubbiah

T.S. Rama Iyer

I. Mahomed Imam

D.S. Reitzbee

R.O. Morris

B. Puttenchetty.

POWER ALCOHOL INDUSTRY FOR INDIA: ITS NECESSITY AND IMPORTANCE

It is reported that the U.P. and Bihar Governments are considering the possibility of establishing a power alcohol industry, in the light of the recommendations made by the Joint Power Alcohol Committee. The Government of Mysore has resolved upon starting the industry at an early date, as a result of the successful experiments carried out in this respect by the Mysore Sugar Company. Legislation is on the anvil in Mysore with a view to providing for the compulsory admixture of a certain proportion of power alcohol with petrol sold in the State. The Mysore Company has ordered plant and machinery for the purpose of manufacture and they are expected to arrive before the end of this month. The Madras Government has appointed a committee to inquire into the prospects and possibilities of manufacturing power alcohol in the Province. The Government of Bombay, it will be remembered, appointed a similar committee some time ago for a similar purpose. Though the committee is reported to have given an unfavourable opinion in the matter, yet the question is understood to be engaging the active attention of the Government at the present time, in the light of certain favourable factors which appear to have recently come to its notice. Thus, there seems to be at present a very active consideration of the question by several Provincial and State Governments; and the industry may be expected to be started in a few advantageous centres at an early date if certain essential helpful conditions are forthcoming.

The importance of power alcohol industry for India is considerable. In the first place, such is required as an aspect of the country's onward march of industrial development in directions in which favourable conditions for such development prevail. In the second, such is very much needed to enable the sugar industry profitably to dispose of one of its important by-products, viz., molasses.

Importance of the Industry

Conditions, in general, can be considered to be favourable for the starting of the industry. There is plenty of cheap raw materials available in the country for the manufacture of power alcohol—and, more than that, the most important raw material, viz., molasses, is at present practically going to waste. "At the present time," as Mr. M. P. Gandhi observes in his *Sugar Annual, 1938*, "it (the molasses) is not only not able to fetch any price at all, but its disposal has become a source of great difficulty and anxiety." Besides the availability of the required raw material to an adequate extent, labour is cheap, plentiful and readily available in the country, and the internal market for the commodity is considerable. During the year 1937-38, India produced about 16 million gallons of petrol and imported about 102 million gallons. Therefore, the annual consumption of petrol in India is very considerable and such can be expected to increase in the coming years as motor traffic is on the increase. If the sale of blended petrol can be ensured, say in the proportion of one part of power alcohol to four parts of pure petrol, then, there is scope in the country for the manufacture of not less than 20 million gallons of power alcohol per year. If the proportion of power alcohol is increased, the scope for its production also becomes correspondingly increased. A considerable amount of molasses can thus be utilised for the power alcohol industry, leaving the remainder for exports, conversion into potable liquor and other uses.

Vital Importance to Sugar Industry

From the point of view of the sugar industry, the question of power alcohol manufacture is one of vital importance, because, on the possibility of such depends to a considerable extent the future prosperity of the industry. In recommending a level of protection for the industry, the Tariff Board in 1931 counted on a price of Re. 1-8-0 being obtainable for molasses; but, unfortunately, such has not prevailed during the past few years, when the problem of the *mere* disposal of molasses has itself become a difficult one, not to speak of any *profitable* disposal. Out of a total production of 482,000 tons during the 1937-38 season, only about 79,167 tons (including palmyra and cane jaggery) were exported during the 1937-38 financial year. Very low prices were obtained even for this small quantity—an average price of Re. 0-1-6 per maund in the U.P. and Re. 0-2-1 per maund in Bihar. We hope that the Tariff Board, which has recently reported on the level of protection which should be conceded to the sugar industry till 1946, has given adequate consideration to the important problem of the profitable disposal of molasses, in particular to the question of starting power alcohol industry in the country. Though continued protection on an adequate scale will help the sugar industry to consolidate its position, yet, to ensure permanent prosperity in the long run, the industry should successfully tackle, among other things, the problem of the profitable disposal of its by-products, especially molasses. We are glad to note that several Provincial Governments are anxious to take early action in the matter, and we hope that the co-operation of the Central Government would be forthcoming to enable them to do so.

Question of Commercial Manufacture

The chief point to be considered in regard to the question of power alcohol manufacture is whether production is possible at a cost which will enable the product to compare favourably with petrol, after paying an excise duty, like the latter, of ten annas per gallon. Experiments carried out in Mysore and the conclusions of the Joint Power Alcohol Committee indicate the possibility of such production. Power alcohol, the Committee is understood to have stated, can be marketed in the U.P. and Bihar, as also in the other adjoining inland areas, at substantially the same, if not lower, price at which petrol is now

admixture of power alcohol with petrol, as in other countries, so that the large quantity of alcohol manufactured from molasses might be profitably utilised." The Indian Sugar Mills Association also passed a similar resolution, in its annual meeting held in August last. The resolution welcomed the report of the Joint Power Alcohol Committee, expressed the opinion that "the problem of the economic utilisation of molasses requires immediate solution," and urged the U.P. and Bihar Governments "to press the Central Government to adopt suitable measures at an early date to enable the recommendations of the Power Alcohol Committee to be put into effect."

Britain Interested in Power Alcohol

The power alcohol industry is receiving considerable attention in Great Britain too at the present time, though that country is imported the molasses required for producing the commodity. *The Economist* dated 5th November, 1938, for instance, has written an informative editorial on the subject, under the caption "Alcohol Economics," wherein it points out that the consumption of power alcohol in Great Britain as motor fuel (blended with petrol), has increased from 13,000 gallons in 1931 to 5,600,000 gallons in 1937. When the industry has thus developed in Great Britain, it is reasonable to suppose that similar would be the case in India too. The latter, it may be pointed out, is situated in a more favourable position in one respect, in that it will secure its raw material (molasses) from its own beet, while the former has to depend on imports.

[illegible] power alcohol industry [illegible] to India. It is one of those new [illegible] can be started with advantage [illegible] and, though its starting, the [illegible] will be assured of a [illegible] at the disposal of its important [illegible], molasses. The Joint Committee [illegible] investigation, is stated to have come [illegible] conclusions regarding the commercial [illegible] of the industry. It now remains [illegible] and Provincial Governments to [illegible] in the matter and for the Central [illegible] to permit the starting of [illegible] possible ways to

so, we would like it to give adequate thought and [illegible] ons, which [illegible] with the [illegible] the Canal [illegible] area.

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[illegible] stories [illegible] such should be [illegible] by [illegible] ling [illegible] for their [illegible] through [illegible]

Mr. A.N. MAHALINGA RAO pointed out that power alcohol was used by the Bangalore City Bus service for some time and that it was found to emit foul smell and prove a positive nuisance not only to the bus passengers but to all passers by. Secondly, he doubted whether the use of power-alcohol as engine fuel would not affect public health in the localities where the motor vehicles using such fuel were allowed to ply.

Mr. K. MADHAVA RAO replied that the bad odour complained of was due to the fact that formerly there mixing anhydrous alcohol and petrol in the proportion of 60 : 40. Such odour would be eliminated as a result of the proportions now fixed. And even though the maximum proportion ~~of 25%~~ proposed in the bill, so far as anhydrous alcohol was concerned, was 25% it was not likely that more than 10 or 15% would be resorted to in the first instance.

Speaking next in reply to Mr. Bhupalam Chandrasekharaiyya, Mr. MADHAVA RAO said that the Mysore Sugar Company was capable of producing 4 lakhs of gallons of power alcohol annually as against 25 lakhs of gallons of petrol consumed in the State.

Mr. A.T. BHASHYAM AIYANGAR said that on behalf of his party he had to oppose the bill for the following reasons:

The main object underlying the bill seemed to be that molasses, which were a by-product of the Sugar factory at Mandya and which were now going to waste, might be put to some use and advantage by manufacturing power-alcohol out of it and thereby making some additional profits for the Sugar Company. Though that was a laudable object, the idea of compelling

people to use it as engine fuel did not appeal to popular sentiment. The authorities were at liberty to manufacture anhydrous alcohol and sell it, and if the consumers found it satisfactory from the point of view of both quality and price, they would naturally go in for it as an article of local manufacture, in preference to petrol imported from outside.

From short experience of the use of power alcohol in Bangalore, he said that people had found its s. ll as a veritable nuisance. Moreover, he was afraid that the carburettor adjustment might not be the same for different kinds of fuel. When once the engine got used to the mixture, it might become difficult to work it with pure petrol in places where the mixture might not be available.

Mr. M. MADHAVA RAU assured the member that the mechanism needed no readjustment whether pure petrol was used or the mixture.

Mr. BHASHYAM AIYANGAR said that even then this was not a matter where any compulsion by means of legislation should be resorted to and that it was . t essentially a matter which should be left to the individual likes of the purchasers. If the law was passed on insufficient data and there was any trouble later on, the members might be put to the unpleasant necessity of agitating for its repeal.

The MINISTER(Rajamantrapravina S.P. Rajagopalachari) assured the member that if there was any trouble or inconvenience, the Government themselves would hasten to get over it.

But why, Mr. BHASHYAM AIYANGAR asked, should everybody in the State subject himself to unnecessary

restrictions with a view to benefiting the shareholders of the Sugar Company.

Mr, KALYANA RAU pointed out that even then, Government would be the largest beneficiary since they hold 60 per cent of the shares.

Mr. BHASHYAM AIYANGAR pointed out that when the consumption of petrol in the State became less, the share of petrol tax revenue derived from the Government of India would also fall proportionately. Thus the profit made in one direction would make for loss in another direction.

On the whole, the member said, he and the other members of his party did not like the bill, particularly on account of the compulsion provided for in it.

The PRESIDENT explained that without compulsion it would be difficult to persuade petrol dealers to sell the mixture. He added that it was not, as the members seemed to imagine, such a bad measure. And he added, if it were so bad, so many Governments would not have undertaken similar measures. He had no hesitation in assuring the House that the bill had been proposed in the best interests of a local industry.

Mr. BHASHYAM AIYANGAR said that if that was so, Government would do well to follow the example set by certain countries which manufactured articles for being exported to other countries more than for local consumption. The Government might earn profits and further the State's interests with the help thereof.

Mr. [illegible] pointed out that as

matters stood, much of the people's money was going out of the State on account of purchase of petrol; whereas under the proposed bill, at least a portion of it would remain in the State.

Mr. SHIVALINGAIAH said that even if the existing petrol-dealers did not cooperate, the Government themselves might open bunks. Then it would be easy for the Government to promote sales of power ~~easy~~ alcohol. And if the mixture was really good, people would themselves go in for it as in the case of all locally manufactured products like Sadanval Khadi, soap, silk, iron, etc., so that no compulsion need be resorted to at all. Besides, when compulsion had not been resorted to by Government in respect of such products, the speaker did not see any reason why it should be thought of in the case of this foul-smelling stuff.

Reference had been made in the statement of general principles of the bill under discussion to the desirability of minimising dependence on imported supplies. While appreciating this sentiment, the speaker asked whether the same argument did not apply with greater force to the use of khadi and whether it would not be better for the higher officers of Government to demonstrate their love for local products by wearing only Sadanval khadi.

Mr. JAFFAR SAIK supported the bill on the ground that it was intended to encourage the use of a local product and thereby increase the national wealth.

Mr. MAQBOOL HUSSAIN SAHEB endorsed some of the objections raised by those who opposed the bill. But he thought that it would not be correct to say that if

the Sugar Factory was benefited the people of the State would not be benefited. The factory had provided labour for a lot of workers. Secondly, sugarcane cultivation in the Irwin Canal area was yielding a better return to the raiyats than any other crop. Thirdly, most of the dividends derived by the shareholders was being spent within the State itself. For these reasons, one could hope that if the factory prospered more, the State had something to gain thereby. There were also other advantages accruing to the State from the success of the Sugar Company. Before the formation of the Mysore Sugar Company, a lot of money used to go out of the State on account of Java Sugar and that drain had been almost completely stopped now. For these reasons the speaker thought that the Bill deserved support.

As regards the apprehension that the proposed mixture would emit bad smell, he stated from experience that power alcohol mixed with petrol to a limited extent - not exceeding 25% in proportion as proposed - would not emit any bad smell. He had also no doubt that the State would ultimately derive a larger revenue from this source than the income they were getting as their share of petrol tax revenue.~~and its use in tanneries~~. Having said all this, the speaker expressed some misgivings as to whether the use of the proposed mixture would not result in engine troubles. If that doubt could be set at rest by actual demonstration, he hoped the House would pass the bill,. Till then, personally, he was not inclined to vote for the particular clause which made it obligatory on people to use only the mixture and not pure petrol as heretofore.

Mr. K. SHAMA IYA pointed out that a similar legislation had been ~~passed~~ proposed in certain British Indian Provinces like United Provinces, Central Provinces and Bihar and thought that the bill might be adopted without any hesitation in Mysore. As much as Rs.22 lakhs a year was going out of the State at present for petrol. By mixing 25% of power alcohol as proposed, the State could retain at least Rs.5 lakhs to Rs.6 lakhs a year and this was an additional argument in favour of the bill. For improving the economic condition of the State, it was necessary to reduce imports and increase exports. The speaker therefore supported the Bill.

Mr. Y.V. NARASIMHAMURTHI IYA supported the measure as being in the interests of the raiyat. The prosperity of the raiyat in the Irwin canal area was dependent to a large extent on the prosperity of the Sugar Company. The suppliers would get better prices for their cane supplies if the Company made better profits. If the business of the company should improve, it was necessary that every form of wastage was avoided and its bye-product viz., molasses was put to the best possible use. For this reason, and more especially because the measure related to the further development of a State industry, he said he willingly supported the bill. At the same time, he requested the Government to delete the clause empowering the Government to compel people to use the mixture only.

Mr. SAADI SYED YUSUF SAHEB, in supporting the bill, said that the prosperity of industries in western countries was due to the fact that every by-product was being put to the best use possible so as to increase the profits of the concerns. Unless such a method was adopted by the Mysore Sugar Company also,

it would not face the competition in the open market. If the company earned good profits and the shareholders got rich dividends, the raiyats also would agitate and secure better prices for their sugarcane. So, all those interested in cane-growers should help the Sugar Company to make larger profits in future. As regards the use of power alcohol, he observed that it had been admitted by users of motor vehicles that the anti-knock properties of power alcohol constituted an advantage for the ~~m~~ smooth running of vehicles, so that he did not see any point in the opposition to its use. When once the protective duties of which Mysore Sugar was enjoying the benefit at present, was removed, it might not be possible for the Sugar Company to earn the same profits as at present and hence it was incumbent on every one interested in the promotion of this industry to help the company to make large profits in other ways.

Mr. RAYANA KEMPANNA did not consider it necessary to retain in the bill the provision relating to compulsion, for the reason that if the mixture was found to be more advantageous than pure petrol, people would go in for it of their own accord.

Mr. A. BILLAPPA NAIK observed that no one would object to the manufacture of power alcohol out of molasses as a means of increasing the profits of the company. All that the members wanted was that the use of the mixture should be left to the consumers' optional. He suggested that the question of making it compulsory might be deferred for one year within which time all the officers of Government might be required to use the mixture and prove to the public that there was nothing to complain of and everything

to gain from using it . He also hoped that if the mixture had all the merits attributed to it by the Government, it would not be difficult to push through its sale by means of the usual business methods and without resorting to compulsion.

Continuing, the member feared, notwithstanding the assurances of Government to the contrary, that a change from pure petrol to the mixture and vice-versa was bound to affect the mechanism of the engine. He had also his own doubts about the actual mileage which the mixture would give and whether it would be cheaper for car owners to go in for it in preference to pure petrol. He also doubted whether at all the Government could provide tanks to supply the mixture throughout the country and not only in the State. In view of this practical difficulty, he thought it would be wiser for the Government to make all such arrangements and then think of enforcing the legislation. Till then he was particular that the use of the mixture should not be made compulsory. Accordingly, he requested the Government to withdraw the bill for the present and move it on a future occasion after satisfying themselves by practical experiments and actual experience that it was worth while using the mixture from all points of view.

Mr. SYED MOHIYUDDIN HUSSAIN said that this bill was sure to benefit owners of motor vehicles since the running charges would be reduced if the mixture was used in place of pure petrol. He was sure that if the carburettor was kept in good condition by daily cleaning, the use of the mixture was not likely to give any trouble. And as was explained by other speakers, the measure would mean additional benefit to the Sugar Company, cane-growers, car-owners and the Government. Considering all these points, he supported the bill.

Mr. B.G. KALLIAH expressed his surprise at the statement of the oppositionists that the raiyats had nothing to benefit by this bill. A comparison of the economic condition of the raiyats in the canal area before and after the advent of the Sugar factory would disprove that statement. As there was every likelihood of the Sugar Company incurring a loss in future on account of the fall in prices of sugar as a result of competition from outside, it was necessary for the Government to compensate for this loss in some way, and this could best be done by passing the bill in question. Secondly, the raiyats in that area were occupying a peculiar position under the block system of irrigation and unless their economic condition was safeguarded, the very large investment on the Krishna Raja Sagara irrigation scheme would not fetch a proper return, In this view also, it was necessary to support the bill.

He next referred to the suggestion of a previous speaker that all the power alcohol manufactured at the Sugar Works be exported to other countries and said that no country would do that without satisfying itself about the merits of the product and without adequately providing for local consumption. He appealed to the members to view this local product

with the same love as ~~there~~ they bore to Kadanval Khadi for example even if this involved some sacrifice.

Mr. A.J. [illegible] was surprised that members of the Congress party who were expected to be supporters of swadeshi goods should have objected to this bill. Seeing that the world was on the verge of a great war and the price of petrol was likely to mount up in the near future, he said it would be prudent to be prepared with a substitute for petrol well in time. Congress members had said that they opposed the bill because of the element of compulsion in it. But taking the country as it was, people would not take to anything new unless by compulsion. For some time this would be inevitable in ~~many~~ many a case. Bearing this in mind, he hoped, that members of the Congress party would reconsider the~~ir~~ question and support the bill as it would help a local industry.

Mr. S. [illegible] who also endorsed the views of his congress friends said that he would have no objection to the bill if the use of the mixed oil was not made compulsory. Several articles were being manufactured in the State and people were not compelled to purchase any one of them, and there was no justification for introducing an element of compulsion in regard to the purchase of engine-fuel only. He supported the suggestion of his friends who wanted officers of the Government to try the new oil for a fairly long period and satisfy themselves about its merits and then think of asking others to go in for it.

Some members had suggested that the Sugar Company had done much good to the raiyats, that if its profits improved the raiyats would be so much the better for it, and that therefore this bill, which would add to the

profits of the company, should be supported by the House. In reply to this suggestion, he would only ask the House to consider this point, viz., how far the raiyats had been benefitted as a result of the rich dividends derived by the company's shareholders, while the best of cash investments were not yielding more than 3 or 4 per cent at present.

In the next place, he characterised the penal clauses in the bill as very drastic and also unworkable. He asked how it was proposed to prevent a car owner from Madras, for instance, from bringing in his car into the limits of the State a few gallons of petrol. If spare petrol was not brought, and pure petrol was used from Madras up to Bangalore or Mysore, who was to assure the car-owner that the use of mixture for the rest of the journey would not mean any engine trouble ? And, how about the price ? Could any one willingly submit to compulsion with this important question still left in doubt ? All things considered, he suggested that the best thing for Government to do would be to purify the stuff and place it on the market, induce the various public service vehicles to take to it kindly, and to compel, if at all, only the departmental cars and buses and lorries to use the mixture and demonstrate its merits to the public. If after all this was done, compulsion was still found inevitable, he proposed that the same be resorted to in stages and for specified purposes.

Mr. ALFRED MIDDLETON assured the House fro personal experience that petrol mixed with anhydrous wa alcohol was quite as good as pure petrol. In England it was usual to find 5 or 6 pumps supplying different kinds of oils at frequent distances and

people were free to go in for whichever oil they liked. He had himself driven in an old car of his in England and Scotland, extensively using petrol blended with anhydrous alcohol. He had found the car running quite smooth without any knocking of the car engine. A change from the mixture to pure petrol had also been tried by him without any damage whatever to the engine mechanism ~~being noticed.~~ He, however, thought the proportion of 25% of alcohol fixed in the bill ~~would be rather~~ was too high and suggested that it might be reduced to some extent. In fact, he preferred that even the maximum proportion permissible should not go up to 25%. If the mixture was properly blended, there would be no foul smell at all. On the question of compulsion, he agreed with many others in thinking that there need be no compulsion. If the mixture gave a slightly better mileage and was sold slightly cheaper, naturally the sales would be heavy. And if any one preferred to go in for pure petrol despite higher price, there ought to be no objection to his doing so.

Mr. BHUPALAM [illegible] mentioned that there was a common impression that the mixture would emit a disagreeable odour and be detrimental to public health. He therefore wanted that Government should first decide how best to remedy these defects. For this purpose, he suggested that Government should assure themselves that the Company would manufacture alcohol of 99.5% purity. He next proposed that the income derived from this source should be ear-marked for introducing prohibition or some such popular reform.

With reference to the remark of some members that members of the Congress party should not have opposed ~~the~~ This bill, he stated that the Congress party appreciated

the object underlying this bill and would extend whole-hearted support to it if only the members were assured that the benefit of the bill would ultimately accrue to the cane-grower. If such an assurance was forthcoming and if full control over the portol trade of the State vested in the Government, he would support the bill.

Mr. L. VEERA REDDY pleaded for support to the bill including the clause relating to compulsion. When a law was to be made applicable to the entire State, some amount of compulsion would be necessary. In this view, he said that the scheme might be given a fair trial and any defects in it got rectified as experience was gained.

Dr. MIRZA ISMAIL BEIG explained that the Government held 60 % of the shares of the Sugar Company and this represented the extent of the people's interest in the Company. With this interest as their own, it was up to the people to do everything to promote the welfare of the company by helping it to develop on commercial lines. And unless there was compulsion, it might not be possible to find a sale for all the alcohol produced out of the molasses. He did not know why certain members were doubting whether the State stood to benefit by profits accruing to the Company. There was no doubt that trade would develop, more houses would crop up in the area and the entire tract would improve in many ways. All this certainly was advantage accruing to the State and all its subjects. Again, Sugar Companies elsewhere were thinking of manufacturing bye-products and reducing the price of sugar. Unless the same was done in Mysore also, the Sugar manufactured here could not stand competition. For these reasons he appealed for full support to the Bill.

Mr. [illegible] said that most of the car-owners who happened to be in the House had supported the bill. Moreover, the framers of the bill were themselves car-owners and they would not have proposed it if the use of the mixture was likely to damage their cars. Even on merits, he thought that the State would profit by the proposed law. In these circumstances, he agreed that the bill might be passed into law and tried for a period of six months. If for any reason it did not yield the results expected of it, it could be repealed at the end of that period.

NAWAB SHEKHAWAT and Mr. KINAIYA said that the bill was intended to help a national industry and compulsion should be tolerated for some time.

Mr. G. [illegible] said that the very fact that the Sugar Company wanted the Government to compel the prospective consumers to go in only for the mixture showed that it was not confident about the merits of its by-product. He thought that Government should first employ experts for the manufacture of the best possible mixture and give satisfaction to the consumers in ever way, without resorting to compulsion.

Mr. L. [illegible] said that the object of Government in bringing this bill was to stabilise the sugar industry in the State, make it a national asset and with its help, improve the economic condition of the people. With the war clouds overhanging the western horizon, there was every likelihood of the price of petrol going up, and car and bus owners would have to pay very heavily. To prevent so much of additional money going out of the country, it was necessary to manufacture and use the mixture under reference. He therefore supported the bill.

Mr. M. MALLANNA RAU, speaking on behalf of Government said that he was glad to note that all were agreed that every bye-industry should be developed to the fullest possible extent in the interest of the main industries themselves. The Secretary to Government, Development Department had already explained the need to encourage the use of local (swadeshi) products and to minimise dependence on imported goods and therefore the Government had not expected that there would be any opposition to the measure. The objections taken in this House were of a varied nature - disagreeable odour, unhealthiness, etc., caused by the smoke emitted, but the same had not been the case in Houses of Legislature elsewhere wherein similar measures were discussed. Discussion elsewhere had centred round only one vital question, viz., whether there was economic justification for the measure or not. Questions like bad smell, unhealthy smoke, etc., had never cropped up. He did not know why such an impression prevailed here. Personally, he could say this: he had himself travelled long distances very often in cars driven by petrol and also by petrol mixed with anhydrous alcohol to the extent of 40% to 60% and he had not experienced any detestable smell or unhealthy smoke.

An apprehension had been expressed that by enforcing the proposed law, the Government would lose part of the revenue from the petrol tax. On this point, he explained that on a fair calculation, if the proportion of alcohol was only 10%, 2 lakhs of gallons of power alcohol could be manufactured and used. And on all this quantity the Government would get duty. This would make up for the loss under petrol tax revenue and also yield some extra revenue.

instead

Referring next to the effect of the mixture on the mechanism of the engine, he assured the House that experiments had been conducted under very unfavourable conditions with anhydrous alcohol of only 96% purity mixed in the proportion of 60% and 40% and that the results were thoroughly satisfactory.

Mr. Madhava Rao

Continuing, ~~the [illegible]~~ explained that this was not altogether a new enterprise. There was the benefit of the experience of several ~~foreign~~ foreign countries where this mixture was in use. They had all found by actual experience that the mechanism of the engine would not suffer in the least. That was why governments in all the British Indian provinces where n Sugar factories were working had taken up similar legislation. Speaking of Mysore in particular he added, the question of using the mixture had been under consideration ever since the establishment of th Sugar Factory. Canal Irrigation, Sugar Factory, Distillery, manufacture of anhydrous alcohol -- these were in fact the different stages of the Irwin Canal scheme.

Mr. SUBRAMANYA SETTI enquired why this question was not mooted when the question of manufacture of alcohol was taken up as a by-industry of the Bhadravati Iron works.

Mr. MADHAVA RAO replied that what was being produced by the Iron Works was Methyl alcohol whereas the product now in question was Ethyl Alcohol. Experiments had been carried on with the former and it was found unsuitable for motor fuel purposes on account of its acid properties.

Proceeding, , Mr. MADHAVA RAO referred to the

argument that power alcohol would, like Vaseline soaps etc.,, have a good demand if its quality was really good, that its sale could be improved by advertisement and other methods usually associated with business, and if necessary by fixing the price at a slightly lower level than that of pure petrol, and that there was no need to resort to compulsion. He stated in reply to that argument, that power alcohol could not be placed on the same footing as soap as there was a vast difference between the two. As regards soap, there were any number of merchants selling it, whereas distribution of petrol in India was in the hands of very few persons and unless full co-operation from them was assured, the Government had to take full power to enforce the scheme under consideration.

But the point after all, to be considered was the persons when this compulsion would affect. In any case, it would not affect the ryots because they did not own motor cars. Even as regards car-owners, no compulsion would be brought to bear on them personally. They would be perfectly at liberty to go ~~to-the-same-bunk-as~~ in future also to the same bunk as before. Only, they would be going in for the mixture instead of for pure petrol. Even at present, the users had no manner of choice with regard to the stuff supplied. They had to buy whatever was ~~sa-pp~~ supplied to ~~them~~ them. They could not question what the composites of the oil were and know them. The dealer would never disclose the information even if he had a knowledge of it. Compulsion would apply only to those who sold the motor-fuel. In the absence of compulsion, it would not be possible to push through the sale of power alcohol. Compulsion was all the

more necessary on account of the fact that Government could not organize their blending stations or banks of their own. The existing channels of trade had to be utilised and it was only for that purpose that an element of compulsion had been introduced.

Summing up, he stated that when once the Government took up an industrial venture, they had to manage it perfectly. Lastly, from the swadeshi point of view, he asked why the state should depend upon foreign supplies when an article could well be manufactured locally? He hoped that bearing these points in vi the entire house would agree to this bill.

The general principles of the bill were thereupon put and declared lost, 77 voting for and 102 against.

At 3-15 P.M. the Assembly rose for lunch and met again at 3-45 P.M.

Report of the Select Committee on the Mysore Power Alcohol Bill.

We, the members of the Select Committee to which the Mysore Power Alcohol Bill was referred have considered the several clauses of the Bill and beg to submit this our Report:--

Clause 2. In sub clause (a), we recommend that the words 'distilled from molasses' be ~~xxxxxxx~~ omitted and the word 'manufactured' be substituted therefor.

Sub Clause (c): The ~~Ex~~cise Act of 1901 and the rules framed thereunder already provide for the denaturization of spirits. The percentage of purity of alcohol required under this sub-clause is also somewhat high. We, therefore, recommend that the following may be substituted for the existing sub-clause:-

"Alcohol" means ethyl alcohol of not less than 99.4 per cent purity, denatured according to the provisions of the Excise Act."

Clause 3. As the word 'Alchhol' as defined in clause 2 means anhydrous alcohol, we consider the word 'anhydrous' unnecessary and may be deleted.

Clause 8. As no provision is made in the Bill regarding the authorities who should exercise the functions under this Act, we ~~recommend~~ suggest the addition of the following as item (f) under sub-clause (ii):-

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Clause 9. As we find it necessary that petrol required for aviation and for some other special purposes should be exempted from the operation of this Act, we recommend that the following clause may be substituted for the existing clause 9:-

"Notwithstanding anything contained in this Act, Government may, by notification published in the official Gazette, declare that the provisions of this Act shall not apply to petrol required for aviation or other special purposes."

Clause 5. Mr. D.S. Mallappa suggested that sub-dealers who innocently sell petrol should not be subjected to the provisions of clause 5, if on testing it was found that the petrol sold by them was not of the mixture prescribed under this Act. The majority of the members are, however, of opinion that no provision is necessary for this purpose.

As the bill has not undergone any material change, we consider it unnecessary to republish the bill as amended by us.

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A. C. [illegible]
28-1-22

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Clause 6. L.F. D.C. Gallappa suggested that sub-dealers who innocently sell petrol mixtures supplied by the principals containing less than the prescribed percentage of alcohol should not be subjected to the provisions of clause 6, if on testing it was found that the petrol sold by them was not of the mixture prescribed under this Act. The majority of the members are, however, of opinion that no provision is necessary for this purpose and that clause 6 of the Bill which provides that no prosecution shall be instituted without the sanction of the District Magistrate, is calculated to secure the object in view.

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D. Gallappa

If the sub-dealer is found to have knowingly sold the mixture then he should be punished under section [illegible] of this Act. I suggested that the principals who supply such petrol mixtures must be made liable to prosecution under this section.

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Clause 8. As no provision is made in the Bill regarding the authorities who should exercise the functions under this Act, we suggest the addition of the following as item (f) under this sub-clause (ii):-

"(f) provide for the authorities by whom functions under this Act are to be discharged and prescribe their duties and powers."

Clause 9. As we find it necessary that petrol required for aviation and for some other special purposes should be exempted from the operation of this Act, we recommend that the following clause may be substituted for the existing clause 9:-

"Notwithstanding anything contained in this Act, Government may, by notification ~~xxxxxxxxxxxxxxxxxxxx~~ published in the official Gazette, declare that the provisions of this Act

shall not apply to petrol required for aviation or other special purposes."

Clause 5. Mr. D.S. Mallappa suggested that sub-dealers who innocently sell petrol mixtures supplied by their principals containing less than the prescribed percentage of alcohol should not be subjected to the provisions of clause 5, if on testing, it was found that the petrol sold by them was not of the mixture prescribed under this Act. He suggested that the principals who supply such petrol mixtures must be made liable. If the sub-dealer is found not liable for the defect of the mixture, there should be sufficient scope in the law to exempt him from the operation of this section and to proceed against the persons responsible for the supply of the defective mixture. The majority of the members are, however, of opinion that no provision is necessary for this purpose and that clause 6 of the Bill which provides that no prosecution shall be instituted without the sanction of the District Magistrate, is calculated to secure the object in view.

As the bill has not undergone any material change, we consider it unnecessary to republish the bill as amended by us.

Sd. N. Madhava Rau (Chairman)
" N.N. Ayyangar.
" H.V. Ramaswami.
" M. Venkatanarenappa.
" T.G. Rama Iyer.
". J. Mahomed Imam.
" D.S. Mallappa.
" R.C. Morris.
" B.R. Puttanjappa.

Re. G. Nos. 207

NOTIFICATION.

No. 974—L. C., dated Bangalore the 11th November 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to provide for the mixture of Alcohol with Petrol for use as Motor Fuel in Mysore is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

Bill to provide for the mixture of Alcohol with Petrol for use as Motor Fuel in Mysore.

Preamble.—Whereas it is expedient to make provision for the development of the Power Alcohol Industry in the State by requiring its compulsory admixture with petrol for use as motor fuel; It is hereby enacted as follows :—

1. (i) *Short Title and Extent.*—This Act may be called the Mysore Power Alcohol Act, 193.

(ii) It extends to the whole of Mysore.

2. *Definitions.*—In this Act, unless there is anything repugnant in the subject or context—

(*a*) "Distillery" means any premises wherein or

within the precincts of which alcohol is distilled from molasses ;

(*b*) "Petrol" means dangerous petroleum as defined in the Mysore Petroleum Act, I of 1923.

(*c*) "Alcohol" means ethyl alcohol of not less than 99·5 per cent purity with the addition of suitable denaturant that may be prescribed under the rules.

Power to direct sale of mixture.

3. (i) The Government may, by notification in the official Gazette, direct that in any local area no petrol shall, from such date as may be specified in such notification, be sold or kept for sale except with an admixture of anhydrous alcohol manufactured in the State.

(ii) The alcohol to be employed for such admixture shall be obtained from a distillery established by or with the sanction of Government and the price to be paid to the owner of the distillery for the alcohol shall be fixed by Government from time to time.

(iii) The proportions of petrol and alcohol in such mixture shall be as notified by Government in respect of each local area and may be enhanced or reduced from time to time but the proportion of alcohol in the mixture shall in no case be more than 25 per cent or less than five per cent by volume.

Levy of excise duty.

4. Government may levy an excise duty on alcohol intended for admixture with petrol sold by any distillery governed by this Act at rates to be fixed by a notification published in the official Gazette.

Punishment.

5. Whoever contravenes the provisions of Section 3 shall be punishable with fine which may extend to one thousand rupees and in the case of a continued contravention with a further fine which may extend to one hundred rupees for every day during which the contravention is continued after conviction therefor.

Prosecution to be authorised.

6. No prosecution under this Act shall be instituted except under the authority of a District Magistrate.

Offences by whom to be tried.

7. No offence made punishable by this Act or by any rule made thereunder shall be tried by a court inferior to that of a Magistrate of the First Class.

8. (i) The Government may make rules for the purpose of carrying into effect the provisions of this Act.

Power to make rules.

(ii) In particular and without prejudice to the generality of the foregoing power, such rules may—

(*a*) prescribe specifications and tests in respect of the purity of alcohol intended for

admixture with petrol in order to ensure its suitability for use on motor vehicles;

(*b*) provide for determining the price to be paid to the owner of a distillery for alcohol supplied for purposes of admixture with petrol;

(*c*) provide for imposing and collecting a duty of excise on alcohol intended for admixture with petrol;

(*d*) prescribe conditions in respect of the transport and storage of alcohol intended for admixture with petrol and for the manner in which the admixture is to be effected;

(*e*) prescribe the submission by the manufacturer of alcohol and importers and distributors of petrol of returns regarding the quantities of anhydrous alcohol and petrol, manufactured, purchased, stored and sold.

(iii) Rules made under this Act may provide that any contravention of such rules shall render the offender liable, on conviction before a Magistrate, to a fine not exceeding five hundred rupees.

Exemption of petrol used for aviation.

9. Nothing contained in this Act shall apply to petrol required for aviation.

Statement of objects and reasons.

The profitable disposal of molasses is a problem that is facing the Sugar Industry in India and the suggestion has been made that a way may be found for the disposal of a portion of the alcohol made from molasses by prescribing that the fuel used in motor vehicles should contain a percentage of anhydrous alcohol blended with petrol. Such a mixture has been prescribed in a number of countries to encourage the use of local materials to some extent and to minimise dependence on imported supplies of motor fuel.

Investigations in India and abroad have shown that the mixture, provided the alcohol is not less than 99·5 per cent purity and its proportion is limited to about 25 per cent, is not less efficient in its fuel value than petrol and that its anti-knock properties constitute an advantage for the smooth running of vehicles. No change is called for in the mechanism of the engine or any other part of

the motor and the mixture can be used in the same manner as petrol.

The Mysore Sugar Company expect to have the plant for the manufacture of anhydrous alcohol before the end of the year and the object of this Bill is to enable Government to prescribe in respect of areas notified for the purpose that anhydrous alcohol should be mixed with petrol before it is sold to the public, to prescribe the percentage of alcohol, its purity and price, to prescribe the rate of excise duty to be levied on alcohol and to provide for punishments for the contravention of the Act or rules to be made thereunder.

Necessary arrangements will be made with the petrol companies for the proper blending and sale of the mixture and to regulate the price at which the mixture is sold.

Printed by the Superintendent at the Government Press, Bangalore.

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BILL AS AMENDED BY THE SELECT COMMITTEE

Omissions are shown in brackets and additions are typed.

NOTIFICATION.

No. 974—L. C., dated Bangalore the 11th November 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to provide for the mixture of Alcohol with Petrol for use as Motor Fuel in Mysore is published for general information with the statement of objects and reasons.

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Mysore Legislative Counc

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(*a*) "Distillery" means any premises wherein or

within the precincts of which alcohol is (distilled from molasses;) manufactured.

(*b*) "Petrol" means dangerous petroleum as defined in the Mysore Petroleum Act, I of 1923.

(*c*) "Alcohol" means ethyl alcohol of not less than (99·5) 99.4/ per cent purity (with the addition of suitable denaturant that may be prescribed under the rules.) denatured

Power to direct sale of mixture.

3. (i) The Government may, by notification in the official Gazette, direct that in any local area no petrol shall, from such date as may be specified in such notification, be sold or kept for sale except with an admixture of (anhydrous) alcohol manufactured in the State.

(ii) The alcohol to be employed for such admixture shall be obtained from a distillery established by or with the sanction of Government and the price to be paid to the owner of the distillery for the alcohol shall be fixed by Government from time to time.

(iii) The proportions of petrol and alcohol in such mixture shall be as notified by Government in respect of each local area and may be enhanced or reduced from time to time but the proportion of alcohol in the mixture shall in no case be more than 25 per cent or less than five per cent by volume.

Levy of excise duty.

4. Government may levy an excise duty on alcohol intended for admixture with petrol sold by any distillery governed by this Act at rates to be fixed by a notification published in the official Gazette.

Punishment.

5. Whoever contravenes the provisions of Section 3 shall be punishable with fine which may extend to one thousand rupees and in the case of a continued contravention with a further fine which may extend to one hundred rupees for every day during which the contravention is continued after conviction therefor.

Prosecution to be authorised.

6. No prosecution under this Act shall be instituted except under the authority of a District Magistrate.

Offences by whom to be tried.

7. No offence made punishable by this Act or by any rule made thereunder shall be tried by a court inferior to that of a Magistrate of the First Class.

Power to make rules.

8. (i) The Government may make rules for the purpose of carrying into effect the provisions of this Act

(ii) In particular and without prejudice to the generality of the foregoing power, such rules may—

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115

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The Mysore Sugar Company expect to have the plant for the manufacture of anhydrous alcohol before the end of the year and the object of this Bill is to enable Government to prescribe in respect of areas notified for the purpose that anhydrous alcohol should be mixed with petrol before it is sold to the public, to prescribe the percentage of alcohol, its purity and price, to prescribe the rate of excise duty to be levied on alcohol and to provide for punishments for the contravention of the Act or rules to be made thereunder.

Necessary arrangements will be made with the petrol companies for the proper blending and sale of the mixture and to regulate the price at which the mixture is sold.

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ACT VIII of 1939.

(Received the assent of His Highness the Maharaja on the Seventh Day of February 1939.)

NOTIFICATION.

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Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to provide for the mixture of Alcohol with Petrol for use as Motor Fuel in Mysore is published for general information with the statement of objects and reasons.

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Mysore Legislative Council.

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(ii) It extends to the whole of Mysore.

2. *Definitions.*—In this Act, unless there is anything repugnant in the subject or context—

(*a*) "Distillery" means any premises wherein or

Pass the definitions to be arranged in alphabetical order.

within the precincts of which alcohol is ~~distilled from molasses~~ manufactured;

(*b*) "Petrol" means dangerous petroleum as defined in the Mysore Petroleum Act, I of 1923.

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(ii) The alcohol to be employed for such admixture shall be obtained from a distillery established by or with the sanction of Government and the price to be paid to the owner of the distillery for the alcohol shall be fixed by Government from time to time.

(iii) The proportions of petrol and alcohol in such mixture shall be as notified by Government in respect of each local area and may be enhanced or reduced from time to time, but the proportion of alcohol in the mixture shall in no case be more than ~~25~~ twenty five per cent or less than five per cent by volume.

Levy of excise duty.

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Offences by whom to be tried.

7. No offence made punishable by this Act or by any rule made thereunder shall be tried by a Court inferior to that of a Magistrate of the First Class.

Power to make rules.

8. (i) The Government may make rules for the purpose of carrying into effect the provisions of this Act.

(ii) In particular and without prejudice to the generality of the foregoing power, such rules may—

(*a*) prescribe specifications and tests in respect of the purity of alcohol intended for

admixture with petrol in order to ensure its suitability for use on motor vehicles;

(*b*) provide for determining the price to be paid to the owner of a distillery for alcohol supplied for purposes of admixture with petrol;

(*c*) provide for imposing and collecting a duty of excise on alcohol intended for admixture with petrol;

(*d*) prescribe conditions in respect of the transport and storage of alcohol intended for admixture with petrol and for the manner in which the admixture is to be effected;

(*e*) prescribe the submission by the manufacturer

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ıse Act, 1901

(f) provide for the authorities by whom functions under this Act are to be discharged and prescribe their duties and powers.

(iii) Rules made under this Act may provide that any contravention of such rules shall render the offender liable, on conviction before a Magistrate, to a fine not exceeding five hundred rupees.

9. Notwithstanding anything contained in this Act, the Government may, by notification published in the official Gazette, declare that the provisions of this Act shall not apply to petrol required for aviation or other special purposes.

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14.2.39
General Secretary to Govt

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The Mysore Sugar Company expect to have the plant for the manufacture of anhydrous alcohol before the end of the year and the object of this Bill is to enable Government to prescribe in respect of areas notified for the purpose that anhydrous alcohol should be mixed with petrol before it is sold to the public, to prescribe the percentage of alcohol, its purity and price, to prescribe the rate of excise duty to be levied on alcohol and to provide for punishments for the contravention of the Act or rules to be made thereunder.

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Printed by the Superintendent at the Government Press, Bangalore.

AtE 99-37-1

THE MYSORE SUGAR COMPANY, LTD.

27 SEP. 1937
DEVELOPMENT BRANCH

RAJAMANTRAPRAVINA DIWAN BAHADUR
K. MATTHAN
CHAIRMAN

"SANTHI BHAVAN"
SESHADRI ROAD
BANGALORE

1732

No.B-14.10/14024

24th September 1937

My dear Sir Mirza,

I am very much obliged to you for your kind D.O. Letter of the 19th instant regarding the manufacture of power alcohol in the Mandya Sugar Factory, and am enclosing a brief note on the subject. With your keen interest in this matter I am hopeful that the Sugar Company will be enabled to develop this industry to the fullest extent possible.

Yours sincerely,

K. Matthan

1 D.O. Secy
I am inclined to think the Chairman has also alluded to the question of alcoholic alcohol.
25-9-37

2 For perusal
25.9.37.

3
25/9/37
4 urgent
27.9.37
27.9.37

Amin-ul-Mulk
Sir Mirza M. Ismail, Kt., C.I.E., O.B.E.
Dewan of Mysore,
BANGALORE

Encl.1

N O T E

At present the Plant at Mandya is capable of producing not absolute alcohol, but only 96% alcohol, which is equivalent to a strength of 68° O.P. With this plant we produce potable spirits, (viz., Arrack and other Special Liquors) and other rectified spirits for sale either as denatured spirits, (denatured with ½% Caoutchoucine and ½% Pyridine) or for use as Power Alcohol (denatured with 2½% petrol and ½% Pyridine). The Statement below shows the productions of these various classes in the Factory during the years 1934-35, 1935-36 and 1936-37 (11 months):-

Year.	Molasses spirit	Special Liquors	Rectified Spirit	Denatured Spirit	Power Alcohol
	Gals. 35° u.p.	Gals. 30° o.p.	Gals. 68° o.p.	Gals. 60° to 68° o.p.	Gals. 68° o.p.
1934 to 1935 Oct. to Sept.	1,66,096	8,195	3,070	11,393	8,208
1935 to 1936 Oct. to Sept.	1,53,607	7,453	5,717	1,25,367	55,456
1936 to 1937 Oct. to Aug.	1,52,155	7,301	5,272	2,05,171	30,234

The production of Power Alcohol since October 1934 has amounted to 93,898 gallons. Of this quantity, 80,862 gallons have been used on the Company's transport system and only 13,036 gallons have been issued to lorry contractors in Mandya

to bus owners in the City of Bangalore, the Mysore Municipality and to a few private car owners. Lorry contractors and bus owners have now definitely given up the use of this fuel, as the passengers do not like the smell of the exhaust fumes. Car owners are also not inclined to use this alcohol as motor fuel both on account of the smell, and also because it involves some alterations to the carburettor etc. The experience of these few years goes to show that there is not much prospect of using 96% alcohol which we are now producing as Motor Fuel (except on the Company's own transport system). The only prospects for the use of Alcohol on a sufficiently large scale as Motor Fuel would be to produce absolute alcohol which can be mixed in any proportion with petrol. The usual practice in other countries is to mix 1 part of Absolute Alcohol with 9 parts of Petrol. It is expected that the addition of a small percentage of Alcohol to petrol will not give rise to any offensive odour; nor would there be any need to effect any alterations to the mechanical parts of the vehicles.

The Distillery Plant at Mandya is capable of producing about 4½ lakhs of gallons of 96% alcohol a year. Of this, the production of potable spirits (in terms of 96% alcohol) is about 52,000 gallons, and the production of power alcohol is about 32,000 gallons. These two make up a total of 84,000 gallons only. The plant is capable of producing a further 3½ lakhs of

gallons. We have now built up a trade in Denatured Spirits to the extent of 2 lakhs of gallons in markets like Madras, Bombay, Colombo and Calcutta. Owing to the distance of these markets this is hardly remunerative. Besides it is not improbable that we shall lose these markets in the not distant future since provincial governments are disposed to issue licenses for production of non-potable spirits in their respective areas. There is therefore a pressing need for considering the possibility of manufacturing Absolute Alcohol.

The Distillery at Mandya has been so laid out that with the addition of an extra colpumn, which would involve a capital expenditure of about Rs. 50,000/-, Absolute Alcohol could be produced. It was at one time thought that the incurring of this additional expenditure and erection of the extra colpumn could be undertaken if a suitable grant could be obtained from the Imperial Council of Agricultural Research as the undertaking would be of an experimental nature. There has, however, been no response from the Government of India to this request.

Even with the present production of Denatured Spirits, the plant has capacity to produce another 1½ lakhs of gallons of 96% alcohol, or of over 1¼ lakhs of gallons of Absolute Alcohol. For the present production of 3 lakhs of gallons we use up about 5,000 tons of Molasses, while the production of Molasses in the factory is likely to be about 8,500 tons.

The quantity taken up for utilisation as Manure and for road surfacing is very negligible and the scope of expansion in these directions is limited. If we ~~proved~~ proceed to use the distillery plant to full capacity by manufacturing Absolute Alcohol, we could use up an appreciable portion of the Molasses (another 2,500 tons). For this reason the Directorate of the Sugar Company may view with favour the incurring of the requisite outlay if the Government view the scheme with favour.

From our experience at Mandya, we calculate that Absolute Alcohol can be produced at a cost not exceeding 6½ annas per gallon. To this has to be added costs of transport, storage and sale. With the present price of Petrol, an Alcohol Petrol mixture is likely to be very popular and can ~~wi-th~~ even stand a reasonable amount of duty. Legislation for the compulsory use of Alcohol with petrol may be unnecessary as there is reason to believe that petrol companies will offer their cooperation.

---------- Iyathan

KM/CNV
24-9-37)

D.O. No. 3194 dt 27-10-37

My dear Sir,

I am desired to invite kind reference to your letter No. B. 14-10/14024 dated the 24th September 1937 to the Dewan regarding the manufacture of absolute alcohol in the Mandya Sugar Factory and to request that the scheme may be proceeded with.

Yours sincerely,

Rajamantrapravina Dewan Bahadur
K. Mattnan, Esquire, B.A.,
Chairman, The Mysore Sugar Company, Lt
Bangalore.

Appendix F G –1]

SUBJECT.....

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Section A&R

File No. 99-37

Serial No. 2

D.O No

No. D3194

Diary No. of letter replied to.....

General and Revenue Secretariat.

( )

the *193* .

Date of issue 27/10/37

Signed by M. Venkatasubbiah Mysore

List of enclosures.....

Copied by

Examined by.....

My Dear Sir,

I am desired to invite Kind ~~With~~ reference to your letter No. B-16.10/16024 dated 24/9/37 to the Dewan regarding the manufacture of absolute ~~power~~ alcohol in the Mandya and Sugar factory, ~~I am desired~~ to request you to go ahead ~~your~~ ~~its~~ ~~with the Scheme for the~~ ~~manufacture of absolute~~ ~~alcohol~~. that the scheme may be proceeded with

Y. S.

MV.

My 28.9.37

To Rajamantrapravina Diwan

Bahadur K. Matthan,

Chairman,

The Mysore Sugar Co., Ltd

Bangalore

AtE 99-37-3 3524

TELEPHONE No. 301

FACTORY : MANDYA
(MYSORE STATE)

THE MYSORE SUGAR COMPANY, LTD.

TEL : ADD : 'MYSUGAR'

CODES USED :

A. B. C. 5TH EDN. & BENTLEY'S

"SANTHI BHAVAN"
SESHADRI ROAD

BANGALORE, 3rd Jan. 19 38

REF. NO. B-14.3/3952

The Secretary to Government,
Development Department,
Government of His Highness the
Maraja of Mysore,
BANGALORE

Dear Sir,

Re: Manufacture of Absolute Alcohol

With reference to your D.O. Letter No. D. 3194/ A & E. dated 27th October 1937 addressed to our Chairman, requesting that the scheme for the manufacture of Absolute Alcohol in the Mandya Sugar Factory may be proceeded with, I have the honour to state that the matter was placed before the Board of Directors at their meeting held on 11th December 1937, when the following resolution was passed:-

"RESOLVED that the proposals for the manufacture of absolute alcohol by the addition of a de-hydrating coloumn and the additional equipments referred to in the Note, be approved and necessary orders for machinery placed, subject to the approval of Government and after obtaining an assurance from Government that necessary legislation will be introduced for the sale of Absolute

Enclosure to letter No. B 14-3/3952 dt 3/11/38 from the Chairman of the Mysore Sugar Co.

THE MYSORE SUGAR COMPANY, LTD:

Note on the manufacture of Absolute Alcohol, equipment necessary for same and its disposal

---

The production of molasses in the Mandya Sugar Factory has gradually increased, from 1,750 tons in 1934/1935 to 7,260 tons in 1936/37, and it is likely to go up to well over, 8,000 tons in the current year, the larger production being due to the increased capacity of the Factory.

The distillery absorbed 1,260 tons of molasses in the year 1935, 3,810 tons in 1936 and 4,364 tons in 1937. Our other disposals during the last two years have been 1,271 tons sold to the Public Works Department and 500 tons issued to the Company's farms to serve as manure and 1,000 tons burnt under the Boilers. It will thus be seen that under the present conditions, the factory is not able to dispose of more than 5,000 tons of molasses a year. There is a large accumulation of stock, and recently steps have had to be taken to increase the number of storage tanks.

The distillery plant at Mandya is capable of producing 70 hectolitres or 1,540 gallons of alcohol of 96% strength every day. The subjoined statement shows the production of Alcohol classified as molasses arrack, special liquors, rectified spirit, denatured spirit and Power Alcohol produced in the distillery during the three years 1934-35, 1935-36 and 1936-37:-

Year.	Potable Spirits.			Non-potable Spirits	
(Oct. Sept.)	Molasses spirit 35° U.P.	Special liquors 30° U.P.	Rectified spirit 68° O.P.	Denatured Spirit 60 to 68° O.P.	Power Alcohol 96% 68° O.P.
1934 to 1935	1,66,096	8,195	3,070	11,393	8,028
1935 to 1936	1,53,607	7,453	5,717	1,25,367	55,456
1936 to 1937 (Oct. to Sept)	1,68,335	7,941	5,996	2,24,275	33,404

The demand for potable spirits is gradually decreasing and we have practically reached the maximum that could possibly be attained in the disposal of denatured spirits. Moreover, the markets for the denatured spirits will gradually contract as plants for the production of non-potable spirits are being installed in the several provinces in British India. The production of power alcohol appears to be the only outlet for the profitable use of molasses that is promising of expansion. Several Provincial Governments in British India appear to be actively considering the question of manufacturing power alcohol from molasses. Hitherto, we have produced power alcohol at a strength of 96%. For use as motor fuel, in order to obtain a stable mixture, it is found desirable to mix 60 parts of Alcohol with 40 parts of Petrol, the alcohol being denatured with ½% Pyridine. The greater part of the production has been used on the Company's transport system. A small quantity has been issued to lorry contractors at Mandya, to bus owners in the City of Bangalore, the Mysore Municipality and to a few private car owners. Lorry contractors and bus owners have now definitely given up the use of this fuel, as the passengers do not like the smell of the exhaust fumes apparently on account of the use of Pyridine as denaturant. Car owners are also not inclined to use this Alcohol as motor fuel both on account of the smell, and also because it involves some alterations to the carburettor, etc. The experience of these few years goes to show that there is not much prospect of using 96% alcohol which we are now producing as Motor Fuel (except on the Company's own transport system). The only prospects for the use of Alcohol on a sufficiently large scale as motor fuel would be to produce absolute Alcohol which can be mixed in small proportion with Petrol. It has been found by experience

that the addition of a small percentage of alcohol to petrol will not give rise to any offensive odour; nor would there be any need to effect any alterations to the mechanical parts of the vehicles. Moreover, the use of the mixture reduces carbon deposits, and the tendency to "knock", and except in the case of very high speeds the mixture gives quite as good results as Petrol in point of consumption and running costs.

The plant at Mandya is capable of producing absolute alcohol with the addition of a Dehydrating Coloumn and the original lay-out has made provision for this addition at any time that we desire.

During 1936-37, the distillery operated for 240 days and has produced 3,28,000 gallons of spirits, reduced to terms of 96% strength. With the addition of a Boiler, it should be possible to continue the operation of the distillery for a period of 300 days in a year and thereby to increase the production to about 4,50,000 gallons, or say, 4,30,000m gallons in terms of absolute Alcohol. Of this production, the Excise Department would absorb about 62,000 gallons, while the Company's transport system would absorb about 35,000 gallons, while the present trade that we have in Rectified and Denatured Spirits would absorb perhaps another 2,50,000 gallons. We could thus, to start with, produce 1,00,000 gallons of absolute alcohol for being blended with petrol and used as Motor Fuel. As this fuel becomes known and appreciated, we could meet the extra demand either by reducing the sale of spirits as denatured spirits in certain un-remunerative markets or by putting up a separate still for the production of Arrack.

The question of the additional plant to be installed

for the production of absolute alcohol has been examined in detail in consultation with the General Manager and it is now considered that it wouldbe enough if for the present we obtain a de-hydrating coloumn to be added to the existing equipment, together with additional storage and measuring tanks, pumps, piping, steam boiler and a Chimney for the same.

Mon. Caupin, representative of Messrs Pingris et Mollet Fontaine, France, who supplied the original plant, has interviewed us and as a result of discussions with him, their firm is now willing to supply the additional coloumn required for the production of absolute Alcohol at a price of £ 2,200/- F.O.B. Antwerp, which price includes the royalty to be paid to Messrs. Melle, the patentees of the De-hydrating process, and they are also prepared to supply free of cost the services of one of their Chemical Engineers for the checking of the erection and the starting up of the plant which is expected to take a month's time. The Boiler would cost approximately Rs. 20,000/- at the present prices, and the Chimney would cost another Rs. 5,000/-. The estimated cost therefore, of the additional equipment considered absolutely necessary, for the present, would be as follows:-

1.	Cost of Extra Coloumn including Freight & Duty ..	Rs. 37,400/-
2.	Cost of Boiler	Rs. 20,000/-
3.	Cost of Measuring Tank, Storage Tank, Pumps & Piping	Rs. 10,000/-
4.	Building for Boiler and Fuel store	Rs. 3,000/-
5.	Chimney	Rs. 5,000/-
	Total ..	Rs. 75,400/-

During the month of October 1937, the Distillery has worked exclusively on the production of 96% Rectified Spirit and has produced 35,629 gallons during the month. The cost of production of this rectified spirit has been Rs. 0-5-4 per gallon, charging Rs. 7/- per ton for Molasses. For the production of absolute alcohol, the only extra cost will be cost of the extra steam, cost of benzine and the depreciation of the additional plant. If we add towards this, a value of Rs. 0-1-10, it makes the total cost to Rs. 0-7-2 a gallon, which can be reckoned to be a close estimate. The absolute Alcohol can, therefore, not be manufactured for less than Rs. 0-7-2 per gallon. Making a small addition for unforeseen and incidental expenses, the cost of Power Alcohol at Mandya may be said to be 8 annas per gallon.

If the absolute alcohol is to be sold to Petrol Companies for being blended with petrol for sale as Motor Fuel, we have got to add Rs. 0-1-0 per gallon for the cost of transport and perhaps a further Rs.0-1-0 for meeting the cost of the Excise Staff for supervising the production and blending, and at least Rs.0-2-0 to the Petrol Companies for their distribution and other charges, bringing up the total cost to Rs. 0-12-0 a gallon. The present price of petrol in Bangalore is Rs. 1-5-9. There is thus a sufficient margin between the sale prices of absolute alcohol and of petrol to leave a small profit to the Company, even if Government were to levy a moderate duty on this product.

In most countries where absolute alcohol is manufactured from agricultural products, the Governments have enacted legislation making it compulsory for petrol sellers either to buy a definite quantity of Power Alcohol or to sell

only a blend of petrol and alcohol in proportions varying from 10 to 20 per cent of Alcohol with 90 to 80 per cent of Petrol. At one time it was thought that it would be possible to introduce the power alcohol to the public and dispose of the whole of our product with the co-operation of the Burmah-Shell Oil Company. Further examination of this question has shown that as there are several petrol distributing companies and the cooperation of one agency alone will not suffice, it is necessary to have legislation for the compulsory use of a blend of power alcohol and petrol.

To this Note is annexed a resume of the information collected regarding the laws and regulations that have been passed in various countries of the world for enforcing the use of Alcohol blended with petrol.

The Legislation is of 2 kinds. In some countries the system adopted is that petrol companies importing Petrol into the country where these regulations are in force, are required to buy a certain proportion of petrol alcohol also, these companies being at liberty to dispose of the alcohol either as an admixture with Petrol, or find other outlets for the alcohol. Under the other system, petrol companies are required not to sell petrol except with the addition of a certain prescribed proportion of Alcohol. In Mysore, conditions appear to be more in favour of the latter course. Before deciding on the details of the legislation, it would seem to be desirable to obtain the views and suggestions of the principal petrol companies.

RAS/CNV

Encl. 1
3-1-38

RESUME OF LAWS & REGULATIONS IN FORCE IN OTHER COUNTRIES FOR COMPULSORY USE OF ALCOHOL WITH PETROL

AUSTRALIA:

A mixture of 17 per cent alcohol and 83 per cent petrol is used on a small scale - legislation contemplated.

AUSTRIA:

(1) The law provides that mixing shall be compulsory if the (duty paid) price of petrol exceeds the price of alcohol - not operative.

(2) The petrol Cartel takes over the alcohol from the State Alcohol and arranges disposal. During 1933 it is expected that they will take over about 250,000 gallons.

BRAZIL:

Petrol Companies are required by law to purcha power alcohol equivalent to 5% of their petrol imports. The law is suspended as most of the alcohol produced is only of 94% strength and the concentrating plant is of insufficient capacity.

CZECHOSLOVAKIA:

The addition of 20/25 per cent of alcohol to motor fuel is compulsory and 98½ of the petrol sold is this mixture. The amount of alcohol so used is about 11 million gallons.

FRANCE:

(1) Importers of petrol are under a legal obligation to take from Government a quantity of alcohol equivalent to 8/10 per cent of their petrol imports.

(2) The State buys alcohol from the

refineries up to a certain limit of quantity at £ 41/- per ton (Rs.1-15-3 per gallon) and sells it to the petrol distributors at a much lower price corresponding roughly to the (internal) price of commercial motor spirit, viz., £ 17/- per ton (13 annas per gallon) the loss being partly made by a special additional import duty of 1s. 3d. per gallon on all imported petrol and kerosene. The amount of alcohol to be allocated for motor fuel for 1933 is estimated at 45 million gallons.

(3) All "heavy" petrol must be mixed with 20/25 per cent of alcohol, this is sold at 2½d. per gallon cheaper than "light" petrol. A mixture of 20 per cent alcohol is permitted without a declaration in fuel grade petrol.

(4) The cost of these subsidies to the State is estimated at 206 million francs or say 3½ crores of rupees.

GERMANY:

The oil importers and indigenous producers are required to purchase from the alcohol monopoly a quantity of power alcohol corresponding to 10 per cent by weight of their imports of petrol and Benzol plus 6 per cent of their imports and/or production of kerosene at a control price of £ 45/- per ton. The amount of alcohol taken over is estimated at 42 million gallons. The mixture permitted range from 10 per cent to 30 per cent alcohol.

GREECE:

(1) It is proposed to standardize a mixture of 78 per cent petrol with 22 per cent alcohol but also to permit the use of unmixed petrol.

(2) To fix annually the quantity of mixture to be made. It is estimated that 1½ million gallons of Alcohol would be so used.

HUNGARY:

(1) Petrol over .735 S.G. must be mixed with 20 per cent alcohol (unless used for agricultural purpose) about 90 per cent of the motor fuel used is this 'Motalco.'

(2) The duty on light petrol (below .735 S.G.) is 4 d. per gallon higher than that on 'Motalco.'

ITALY:

A definite allocation of the total production of industrial alcohol is made to the motor industry - at present 2¼ million gallons which is less than 3 per cent of the total consumption of motor ~~ps~~ spirit. This is taken over at a control price (Rs. 1-6-10 per gallon) but does not pay the petrol duty.

LATVIA:

The mixture of 25 per cent alcohol with 75 per cent petrol is compulsory. The alcohol is a state monppoly.

SWEDEN:

There is no legal regulation but power alcohol is free of all duty. The mixture used is 25 : 75. The quantity of alcohol used for motor fuel is about 2 million gallons.

YUGO-SLAVIA:

The mixture of 80 per cent petrol with 20 per cent alcohol is compulsory except for aeroplanes.

RAS/CNV

3-1-38)
Bangalore)

Appendix F G—1]

SUBJECT .....

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Section A28
File No. 99-37
Serial No. 4

Diary No. of letter replied to.....

No. S 6128

To

The Secy. The Mysore Sugar Co. Ltd

General and Revenue Secretariat

( )

the *193* .

Date of issue 22/12/38

Signed by [illegible]

Dear Sir,

With refce to your letter No. B. 14.3/3952 d. 3/1/38 forwarding the resolution of the Board of Directors of the Mysore Sugar Co. passed at their meeting held on 11/12/37 regarding the manufacture of Absolute Alcohol, I am directed to convey the approval of Govt to the proposal of the Company to proceed with the Scheme for the manufacture of Absolute Alcohol and to state that action will be taken to introduce

List of enclosures.....

Copied by .....

Examined by.....

20

the necessary legislation.

Yours faithfully

Dewey.

116/82

Hitler
8/2/38.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE 4/

General and Revenue Secretariat

Dated, Bangalore, 22nd February 1938.

No. D 6128 | Agr 99-37-4

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

The Secretary,
The Mysore Sugar Co., Ltd.,
Bangalore.

Sir,
~~xxx~~

Dear Sir,

With reference to your letter No.B.14.3/3952 dated the 3rd January 1938 forwarding the resolution of the Board of Directors of the Mysore Sugar Co., passed at their meeting held on 11th December 1937 regarding the manufacture of Absolute Alcohol, I am directed to convey the approval of Government to the proposal of the Company to proceed with the scheme for the manufacture of Absolute Alcohol and to state that action will be taken to introduce the necessary legislation.

Yours faithfully,

For Secretary to Government,
Development Department.

vvk.2.

Pol 1004/A&E 99-37-8

To 10th March 1938

The Secretary to the Hon'ble the
Resident in Mysore.

Sir,

I am directed to invite reference to correspondence ending with Mr. A.V. Ramanathan's letter No. Pol. 1042/A & E. 131-35- dated 7th April 1936 regarding the manufacture of absolute alcohol in the Mysore State and to state that the production of molasses in the ~~Mandya Sugar~~ Factory has gradually increased ~~due to the increased~~ capacity of the ~~Factory~~ and it is anticipated that the output in the current year will be more than 8000 tons. The manufacture of potable spirits and denatured alcohol absorb a small ~~share~~ portion of the output ~~and denatured alcohol does not pay except~~ in ~~the markets close~~ by.

The Mysore Sugar Company made a series of trials to use alcohol of 86% strength as motor fuel but the results have not so far been encouraging. In order to find a profitable use for the large quantity of molasses, the Mysore Sugar Company have, with the approval of His Highness Government, decided to instal a plant for the manufacture of absolute alcohol which can be blended with Petrol.

His Highness' Government would like to precribe that Petrol should be blended with a certain percentage of alcohol before it is sold in the State as motor fuel and the ~~further~~ action to be taken ~~to implement~~ in pursuance of this decision is being considered.

In the meanwhile, I am to request

Pol 193

23

that the above information may be communicated to the Government of India.

I have the honor to be,
etc.,

Secy. to Government,
Development Deptt.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated, Bangalore, 10th March 8

No. PSC 1004

From

M.Venkatanaranappa, Esq., B.A.,
The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

The Secretary to the Hon'ble the Resident in Mysore.

Sir,

I am directed to invite reference to correspondence ending with Mr. A.V. Ramanathan's letter No.Pol.1042/A&E 131-35-6 dated 7th April 1936 regarding the manufacture of absolute alcohol in the Mysore State and to state that with the expansion of the Mandya Sugar Factory the production of molasses in the Factory has gradually increased and it is anticipated that the output in the current year will be more than 8000 tons. The manufacture of potable spirits and denatured alcohol absorb a small portion of the output.

The Mysore Sugar Company made a series of trials to use alcohol of 96% strength as motor fuel but the results have not so far been encouraging. In order to find a profitable use for the large quantity of molasses, the Mysore Sugar Company have, with the approval of His Highness' Government, decided to instal a plant for the manufacture of absolute alcohol which can be blended with petrol.

His Highness' Government would like to prescribe that petrol should be blended with a certain percentage of alcohol before it is sold in the State as motor fuel and the action to be taken in pursuance of this decision is being considered.

In the meanwhile, I am to request that the above information may kindly be communicated to the Government of India.

I have the honor to be,
Sir,
Your most obedient servant,

Secretary to Government
Development Department.

c.n.2

A+E 99-37-6

TELEPHONE NO. 2133

FACTORY : MANDYA
(MYSORE STATE)

THE MYSORE SUGAR COMPANY, LTD.

TEL : ADD : 'MYSUGAR'

CODES USED :

A. B. C. 5TH EDN. & BENTLEY'S

"SANTHI BHAVAN"
SESHADRI ROAD

BANGALORE, 9th March 19 38

REF. NO. B-14.3/6436

The Secretary to Government,
Development Department,
Government of His Highness the Maharaja of Mysore,
BANGALORE

Dear Sir,

Re: Manufacture of Absolute Alcohol

We are in receipt of your Letter No. D. 6128/A & E 99-37-4 dated 22nd February 1938 conveying the approval of Government to our proposal to proceed with the scheme for the manufacture of Absolute Alcohol and informing us that action will be taken to introduce necessary legislation.

Accordingly, necessary orders for the purchase of a Plant have been placed with the firm of Ateliers Fingris & Mollet Fontaine of Lille, France, who supplied the original Distillery Plant.

In this connection, we have to invite kind reference to the last sentence of the note enclosed with our Letter of 3rd January 1938, suggesting that it would be desirable before deciding on the details of the legislation to obtain the views and suggestions of the principal Petrol Companies.

We trust the Government will be pleased to take early action to introduce the necessary legislation, and to have the

same placed on the Statute Book before the plant is erected and ready for operation, which it is expected would be by about August next.

Yours faithfully,
THE MYSORE SUGAR CO. LTD:

(SECRETARY

KM/CNV

Appendix F G—1]

SUBJECT .....

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Section A76

File No. 99-37

Serial No. 47

No. D6983 Enclosures.

Diary No. of letter replied to.....

~~To~~

Dear Sir,

General and Revenue Secretariat

( )

the *193* .

Date of issue..... 30.3.38

Signed by ..... for CS

I am desired to forward herewith for your inf^n copy of letter No. B-143/3952 d 3/1/38 with its enclosures from the Secy of the Mysore Sugar Company regarding the manufacture of Absolute Alcohol in the Mandya Sugar ~~factory~~ [manufacturing molasses] factory & to state that the Company has been asked to proceed with the Scheme & that ~~necessary~~ [action] would be taken to introduce the necessary legislation

List of enclosures.....

Copied by .....

Examined by.....

Before ~~embarking~~ [calling for details] on ~~any~~ legislation making it

Compulsory to mix a certain percentage of Absolute Alcohol with petrol before using the latter as motor fuel, in the state Govt would be glad to know the views of the Several petrol Companies ~~in regard to the terms of legislation~~. in all aspects viz. formula including the terms legislation

I am, therefore, to request you to be so good as to consult the several petrol companies and to submit a report to Govt at a very early date

Y. S.

1MW

116/22/3

K. Divakaranna, Esq., B.A.,
Chief Insp of Mines
& Explosives
Bangalore
K.G.F.

Hdtd 21/3/38.

Police wire wire
relating capital charg
cases are for your information
only subsidiary matter
as already explained

The graphite has been taken up with the Company
over their proposals in
regard to which we are
awaiting

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

D. O. No. O. No 6983/ Alr 99-37 Dated, Bangalore, 28th March 1938.

With relative enclosures.

Dear Sir,

I am desired to forward herewith for your information copy of letter No.B.14.3/3952 dated 3rd January 1938 with its enclosures from the Secretary of the Mysore Sugar Company regarding the manufacture of Absolute Alcohol in the Mandya Sugar Factory from out of molasses and to state that the Company has been asked to proceed with the scheme.

Before settling the details of legislation making it compulsory to mix a certain percentage of Absolute Alcohol with petrol before using the latter as motor fuel in the State, Government would be glad to know the views of the several petrol companies on all aspects of the problem including the terms of legislation.

I am, therefore, to request you to be so good as to consult the several petrol companies and to submit a report to Government at a very early date.

Portions in the note relating to capital and working costs are for your information only and should be treated as absolutely confidential.

The question has also been taken up with the Government of India and their proposals in regard to taxation are awaited.

Yours sincerely,

K.Duraswamier, Esq, B.A.,
Chief Inspector of Mines and Explosives in Mysore,
Oorgaum, Kolar Gold Field

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

A+C 99-37-8

Pol 1644

R.Dis. No. F.280-38
R.O. II

5512

GEN. & REVENUE SECRETARIAT. DEVELOPMENT BRANCH.

FROM

THE SECRETARY TO THE HON'BLE THE RESIDENT IN MYSORE.

To

The Secretary to the Government of
His Highness the Maharaja of Mysore,
Development Department.

Dated Bangalore, 30th March *1938.*

SIR,

I am directed to refer to your letter No. Pol.1004/A.E. 99-37, dated the 10th March 1938.

2. The Resident will be glad to know -

(1) The estimated annual output of the power alcohol plant.
(2) Whether the Mysore Government proposes to impose an excise duty upon absolute alcohol produced in the State. If so, at what rate.
(3) If so and if the Mysore Government prescribe that petrol should be blended with a certain percentage of alcohol before it is sold in the State as motor fuel, whether they would be agreeable to surrender that excise duty to the Central Government to compensate for the consequent loss of revenue from customs duties on petrol.

3. I am directed to refer you to the views of the Government of India as expressed in demi-official letter from this Residency No.F.431-36/R.O.II, dated the 20th March 1936. The question is of all-India importance and the Resident will be grateful if the Mysore Government would hold up any action in regard to the installation of the plant and the making of the prescription referred to until the views of the Crown Representative and the Government of India are known.

(A+C 131-35-5)

I have the honour to be,
Sir,
Your most obedient servant,

SECRETARY TO THE RESIDENT.

BJ

Letter No.R.Dis.No.F.280-38/R.O.II dated 30th March 1938 from the Secretary to the Hon'ble the Resident in Mysore to the Secretary to Government, Development Department.

--:0:--

I am directed to refer to your letter No.Pol. 1004/A.2.99-37, dated the 10th March 1938.

2. The Resident will be glad to know -

(1) The estimated annual output of the power alcohol plant.

(2) Whether the Mysore Government proposes to impose an excise duty upon absolute alcohol produced in the State. If so, at what rate.

(3) If so and if the Mysore Government prescribe that petrol should be blended with a certain percentage of alcohol before it is sold in the State as motor fuel, whether they would be agreeable to surrender that excise duty to the Central Government to compensate for the consequent loss of revenue from customs duties on petrol.

3. I am directed to refer you to the views of the Government of India as expressed in demi-official letter from this Residency No.F.431-36/R.O.II, dated the 20th March 1936. The question is of all-India importance and the Resident will be grateful if the Mysore Government would hold up any action in regard to the installation of the plant and the making of the prescription referred to until the views of the Crown Representative and the Government of India are known.

6806/B1/3

Copy submitted for information. The original is being worked up and the file will be submitted soon.

31.3.38.

18.3.38

SECOND MEMBER
31 MAR 1938
No.

32

Letter No.R.Dis.No.F.280-38/R.O.II dated 30th March 1938 from the Secretary to the Hon'ble the Resident in Mysore to the Secretary to Government, Development Department.

--:0:--

I am directed to refer to your letter No.Pol. 1004/A.E.99-37, dated the 10th March 1938

2. The Resident will be glad to know -

(1) The estimated annual output of the power alcohol plant.

(2) Whether the Mysore Government proposes to impose an excise duty upon absolute alcohol produced in the State. If so, at what rate.

(3) If so and if the Mysore Government prescribe that petrol should be blended with a certain percentage of alcohol before it is sold in the State as motor fuel, whether they would be agreeable to surrender that excise duty to the Central Government to compensate for the consequent loss of revenue from customs duties on petrol.

3. I am directed to refer you to the views of the Government of India as expressed in demi-official letter from this Residency No.F.431-36/R.O.II, dated the 20th March 1936. The question is of all-India importance and the Resident will be grateful if the Mysore Government would hold up any action in regard to the installation of the plant and the making of the prescription referred to until the views of the Crown Representative and the Government of India are known.

Copy submitted for information. The original is being worked up and the file will be submitted soon.

Hard copy under submission to Dewan.

SECOND MEMBER)

31.3.38.

31/3/38

Appendix F G—1]

SUBJECT ..... Two DO

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Section A+E

File No. 99-37

Serial No. 9

Diary No. of letter replied to.....

No. DO 1649

To

Dear Sir

In Continuation of this office D.O. letter No. D 6983/ A+E 99-37-7 dated 30/8/38 requesting you to consult several petrol Companies in the matter of mixing petrol with absolute alcohol for use as motor fuel in the State, I am desired to state that you need not take further action on the D.O. letter referred to above in regard to the Consultation with the petrol Companies. The reason for Company having expressed unwillingness to undertake the work at this time.

Yours Sincerely

K.N.

16/9/1938

To M. Dharmavira Rao Esq BA

Chief Inspector of Mines and Explosives

Bangalore

General and Revenue Secretariat

( )

the *193*

Date of issue..... 20.9.38

Signed by ..... MR KS

List of enclosures.....

Copied by .....

Examined by.....

WD 0521—GPB—30,000—12-3-37

Bangalore KF

347

GENERAL AND REVENUE SECRETARIAT,

14 | A&E-99-37-7 Dated, Bangalore, 19th April 1938.

20

Dear Sir,

In continuation of this office D.O.letter No.D.6983/A.&.E. 99-37-7 dated 30th March 1938, requesting you to consult several petrol companies in the matter of mixing petrol with absolute alcohol for use as motor fuel in the State. I am desired to state that you need not take further action on the D.O. letter referred to above in regard to the consultation with the petrol companies. -- Mr. Anantasubramanyam of The Mysore Sugar Co., has been requested to undertake the work as being more convenient.

Yours sincerely,

K. Doraswami Iyer, Esq., B.A.,
Chief Inspector of Mines and Explosives,
Oorgaum, K.G.F.

ppendix F G—1]

UBJECT .....

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Immediate

Section A to E

File No. 99-37

Serial No. 10

No. H 8143

'iary No. of letter replied to.....

To

Dear Sir

With refer to the Correspondence ending with your letter No B. 16-3/1936 of the 9th March 1938 re the manufacture of absolute alcohol by the Ryan Lyle Company Ltd. I am desired to state that before setting the details of legislation making it compulsory to mix a certain percentage of absolute alcohol with petrol for using the latter as motor fuel in the State it would be desirable to know the views of the several petrol Companies on all aspects of the problem including the terms of legislation.

I am therefore to request that Mr. Ananta-

General and Revenue Secretariat

( )

the *193* .

e of issue 20-6-38

Signed by .....

List of enclosures.....

Copied by .....

Examined by.....

36 who is in close touch with all details

Subramanyam may be
requested to consult the
petrol Companies in the
matter and furnish their
views to us; if you do consult him you may get this to be agreeable
I am to request you
to kindly treat the matter
as urgent

Yours truly

MM

KC
1874

To R D. K Mallard
The Secretary claim
The Burma Light Co Ltd
Bangalore

GENERAL AND REVENUE SECRETARIAT,

D. O. No. D 8143/ AR 37-38-1o

Dated, Bangalore, 19th April 1938.

To

Immediate.

Dear Sir,

With reference to the correspondence ending with your letter No.B. 14-3/1936 of the 9th March 1938 regarding the manufacture of absolute alcohol by the Mysore Sugar Co., Ltd., I am desired to state that before setting the details of legislation making it compulsory to mix a certain percentage of absolute alcohol with petrol for using the latter as motor fuel in the State it would be desirable to know the views of the several petrol companies on all aspects of the problem including the terms of legislation.

I am therefore to suggest that Mr.Anantasubramanyam who is in close touch with the details may be requested to consult the petrol companies in the matter and furnish their views to Government. Government trust that you will be agreeable.

Yours sincerely,

Rajamantrapravina Diwan Bahadur
K. Matthan, Esq., B.A.,
Retired First Member of Council,
Bangalore.

Enclosure to Letter No. B-14-10 d 29/4/38 from Mr Matthan (38

SUBMITTED TO CHAIRMAN. 9/5/38

I called on Mr. Orchard of the Burmah-Shell Oil Storage & Distributing Company of India, Limited at Madras on Saturday the 23rd April 1938 at 10-30 A.M. Mr. Orchard had received a communication from the Chief Inspector of Mines & Explosives in Mysore stating that the Government of Mysore had decided to introduce legislation making it obligatory on the part of petrol selling companies to mix some percentage of alcohol in all petrol sold in the State and that prior to the introduction of any such legislation Government wanted to have the views of petrol distributing companies on the subject. In that letter mention has been made that the probable quantity of alcohol that will be available for purposes of mixing, immediately, would be a lakh of gallons and that it was anticipated that the cost at which this alcohol could be delivered to petrol companies would be about 12 annas a gallon, and that at the existing price of petrol in Bangalore, the petrol alcohol mixture could bear a duty of 10 annas per gallon. Before I called on him, Mr. Orchard had verified whether the other petrol companies had also received similar communications, and he understood that the Standard Vacuum Oil Company had received similar communication from the Chief Inspector of Mines and

Explosives in Mysore, and he presumed that the Caltax Company might also have received a similar letter.

The Burmah-Shell and the Standard Vacuum Oil Company are the two companies who have now got bulk installations in the Mysore State and who distribute petrol. The Caltax Company has just acquired necessary land for putting up a bulk petrol storage in Bangalore and it is presumed that they will commence operations shortly.

Mr. Orchard was aware of the fact that I was a member of the Power Alcohol Committee, a fact whichhad been communicated to them through their Delhi Office. Mr. Blackwell, the Chief Manager of their Delhi Office had appeared before the Power Alcohol Committee at their meeting held at Cawnpore in January, to give evidence on behalf of the Burmah-Shell Corporation. Mr. Blackwell had indicated his views in a note which he submitted to the Committee, a copy of which I enclose for ready reference. To sum up in one word, the view of the Burmah-Shell is that if they are convinced that alcohol could be produced in India at a cost, which would not involve any additional charge on the tax-payer or the motor owner, and that it could bear a tax of 10 Annas per gallon, which is the excise duty levied on petrol by the Government of India, their firm would be willing to consider any proposal for undertaking the distribution of petrol-alcohol mixture.

In order to enable Mr. Orchard to make further representation to his Head Office, I had to point out to him that at present in Mysore, Absolute Alcohol, suitable to be used as a 10% mixture, could be produced and delivered at pumps at a price which would enable its bearing a duty of 10 annas a gallon; in other words, as the cost of alcohol delivered at pumps would be more or less what the cost of petrol at present is.

In the course of the meetings of the Power Alcohol Committee at Cawnpore, it was represented by the Burmah-Shell Corporation that the cost of distribution of petrol to them is one Anna per bulk gallon, assuming the distribution of petrol in the whole of India as one unit. This one Anna represents depreciation on the plants put up for storage, loss due to evaporation and overhead and other charges. Subsequently, they modified this by saying that if 6½ Annas is deducted from the price of petrol ex pump, that would represent their actual cost and duty. As to what this 6½ Annas represents, they did not say, nor is Mr. Orchard willing to give the details for this 6½ Annas. He says it costs them 6½ annas for distribution.

We then went into the question of what our proposals were. I told him that our idea was that the cost of manufacture would be 8 Annas a gallon; in addition, it would involve one Anna for excise supervision, 2 annas ear-marked for distributing agencies, and 1 Anna on account of transport.

Working on a mixture of 10 per cent, we found that there was not much difference between the figure they wanted and the figure that we had given. He wanted to lay great stress on the fact that 8 Annas was too heavy a cost. I told him that so long as petrol was selling at Rs.1-5-9 per gallon in Bangalore our calculations would be correct, but that if on any account petrol price went down, it would not be a profitable business to sell the mixture. I urged that we expected them to maintain petrol price and that it was with this view that legislation was contemplated. I also pointed out that there was some slight margin in all our estimages which would enable the scheme to be worked in the beginning.

Mr. Orchard then showed me a letter which their London Office had written to them, in which it was stated that the cost of mixing and the cost of storage of the mixture, and the depreciation would be very heavy. I told him that no correct figure could be arrived at until we had some actual experience and that our own impression was that mixing would not be so costly and that it was worth while giving the whole scheme a trial.

Mr. Orchard has promised to write to his Head Office in Bombay setting forth all the facts and suggesting that they should co-operate with us in any scheme for the

successful working of this experiment. He has promised to communicate to me their reply in due course.

R Ananthakrishnan

SECRETARY.

RAS:TRR.
29-4-38.

N O T E. by Mr. Blackwell, C.B.E., M.C.

The Shell organisation, through its associate companies, has been able to keep in close touch with Power Alcohol production in all parts of the world, and this Committee is doubtless aware that many countries have passed legislation making the use of alcohol in motor fuel compulsory. The information available to my Company goes to show that such legislation has been introduced in some part to assist the depressed state of agriculture but more generally in the case of those countries which have no large petroleum resources of their own, to make themselves less dependent on imported petroleum and with the further object of economising in foreign exchange. In no case known to my Company can it be said that the manufacture of home produded substitutes for petroleum spirit and their compulsory sale (mixed with petrol) as a motor fuel, can be justified on economic grounds. In England alcohol for motor fuel is exempt from the 8d a gallon tax on Petrol and in addition receives a subsidy from the Treasury of 8.3/4d per imperial gallon in the form of a methylating allowance. Assuming a total offtake in 1937 of 6,000,000 gallons it means a loss of around £.200,000 in duty and another £.220,000 in Treasury payments--a total lose of revenue of about £.420,000. It seems unlikely that the Chancellor will forego this 'easy' money much longer. In the case of France

it is estimated that in 1937 approximately 2,181,000 hectolitres of alcohol went into consumption as motor fuel (this quantity being equivelent to 47,960,190 imperial gallons) on which the net loss to the Treasury was Fcs.913,000,000--say £.7,000,000 sterling or Rs.930,00000. It is worth noting that France, unlike India, has no petroleum industry of its own; even so, it is surely impossible to contend that this huge loss can be justified on the grounds either of defence or of national economics or both. So, with the other countries which have introduced a compulsory mixture of alcohol and petrol, the result has always been additional expense to the motoring public and all too frequently also to the general body of tax payers.

In a letter addressed to the Secretary of this committee dated 18-1-1938, my Company has said that it is prepared in certaincircumstances and under certain conditions, which are clearly defined on page 3 of the letter, to assist indegenous anhydrous power alcohol to find an outlet in the motor spirit market of the United Provinces and Bihar. It is however my duty to inform the Committee that, while my Company cannot regard otherwise than with sympathy any proposal calculated to increase the prosperity and purchasing power of the peoples of India, it is the considered view of my Principals that, so long as Petrol in sufficient quantities remains available for consumption in the Indian market at anything like the present price, it is quite certain that no genuine demand for alcohol as a motor

fuel can arise. I am further to urge upon the Committee at this early stage that all relevant and economic facts and factors be fully probed and realised by all who are interested in or are likely to become interested in the production of power alcohol before any serious amount of capital is risked inan enterprise which, in the genuine view of my Company, cannot be profitably developed under today's conditions ~~of~~ on any material scale without a policy of subsidization. My Company further believes that any form of subsidy must be to the ultimate disadvantage of the two Provinces in question (and of India as a whole) so long as the petroleum industry remains capable of supplying from indigenous and nearby sources (from Burma, depite separation, remains and must remain closely linked to India) India's full requirements of motor spirit at a lower cost.

Turning back to the first of the propositions which this Committee has been asked to examine and report upon--Viz. the commercial possibility of establishing and developing the power alcohol industry, as an adjunct to the Indian Petrol industry in the provinces of Bihar and the U.P.--my Company has estimated that the total offtake of petrol in the two Provinces last year was in the region of 8.1/4 million gallons (5.1/2 million gallons in the U.P. and 2.3/4 million gallons in Bihar). It will be well known to some members of the Committee, if not to you all, that world experience has shown that fifteen

percent alcohol (99.5 percent purity or better) is the highest percentage which gives a satisfactory fuel suitable for use in most internal combustion engines without carburettor adjustments and without any marked increase in fuel consumption as compared with petrol. It was in this knowledge that my Company assumed, in their letter to the Secretary of the Committee dated 19-1-1938, that any mixture which might be introduced compulsorily into Bihar and the U.P. would contain 15 per cent alcohol and 85 percent petrol. It would seem therefore that the present available outlet for power alcohol in the U.P. amounts to 820,000 gallons and in Bihar to 410,000 gallons, or say 1.1/4 million gallons in all. My Company estimates that this full quantity of alcohol could be produced from 22,000 tons of molasses. If the total molasses crop in the two provinces last year reached the fiture of 342,000 tons, as my Company has been given to understand, it would appear that the main problem of molasses disposal is bound to remain unsolved even if the use of power alcohol as an automotive fuel is enforced within the territorial limits of the two Provinces. My Company presumes that this is why the Committee have been asked to examine the practical aspects of alternative methods of disposal. I am therefore able to say that my Company is pleased to note that the Committee is to express views other than in regard to the development of alcohol for use as a motor fuel for, at best, it can only find an economic outlet in the

very limited areas adjoining the main upcountry sources of production where alcohol may expect to enjoy a freight advantage, and then only so long as alcohol is not granted a fiscal advantage or received a subsidy in some other form. In parenthesis I may mention that the main demand for motor spirit in India is still at the four major port towns where power alcohol would be at considerable freight disadvantage.

Finally I am to say that my Company, on the data available cannot see how any economic advantage can accrue to India from replacing by a national product (the lower efficiency of which as a motor fuel entails additional running costs) one obtainable from Burmah, Assam and the Punjab at a lower cost.

TRR/-
29-4-38.

38 Pol. 1234 & 7/5/38

To

The Secretary to the Hon'ble the
Resident in Mysore.

Sir,

With reference to your letter No. R. Dis. F.280-38/R.O.II, dated 30th March 1938, I am directed to state that the Mandya Sugar Factory have established a plant producing 96% alcohol and that absolute alcohol can be made with the addition of a dehydrating column and some small accessories. Action has already been taken to place orders for the additional equipment.

A&E 99-37-12

The total annual output of absolute alcohol is estimated at 430,000 gallons a part of ~~which~~ will be used for meeting the demand for potable alcohol within the State and a ~~part~~ the balance will be available for sale as denatured and rectified spirits. It is anticipated that about 100,000 gallons of absolute alcohol will be available for the present for blending with petrol.

Which the major

The Mysore Government propose to levy an excise duty on the alcohol used for blending with petrol at the same rate as the duty levied on petrol in British India. As regards the surrender of the realisations to the Central Government, I am to invite reference to the paragraph (reproduced in the margin) on Duties of Excise on page 8 of the Memorandum expressing the views of His Highness' Government on the draft Instrument of Accession.

I have etc.,

Secy. to Govt.
Development Department.

2/5/38

No. 45. Duties of Excise:

It is not possible for Mysore to accede in respect of this Item on any basis other than that of the maintenance of the status quo. It is accordingly proposed to make reservations in respect of the existing duties on matches, sugar and power alcohol, and also on tobacco and steel.

7/5

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated, Bangalore, 7th May 1938.

No. Pol 1234

From

M. Venkatanaranappa, Esq., B.A.,
x*The Secretary to the Government of His Highness the Maharaja of Mysore,*
Development Department.

To

The Secretary to the Hon'ble the Resident in Mysore.

Sir,

With reference to your letter No.R.Dis.F.280-38/R.O.II, dated 30th March 1938, I am directed to state that the Mandya Sugar Factory has established a plant producing 96% alcohol and that absolute alcohol can be made with the addition of a dehydrating column and some small accessories. Action has already been taken to place orders for the additional equipment.

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---

on the draft Instrument of Accession.

I have the honor to be,

Sir,

Your most obedient servant,

Secretary to Government
Development Department.

c.n.2

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

Arc 99-37-13

R.Dis. No. F.280-38
R.O. II

6579

FROM

THE SECRETARY TO THE HON'BLE THE RESIDENT IN MYSORE.

To

The Secretary to the Government of
His Highness the Maharaja of Mysore,
Development Department.

Dated Bangalore, 18th May *1938*.

SIR,

I am directed to refer to your letter No. Pol.1234/A & E. 37, dated the 7th May 1938.

2. The Resident has informed the Crown Representative the proposals of the Government of Mysore. In their letter No. Pol.1004/A & E.99-37, dated the 10th March 1938, they informed the Resident that they would like to prescribe that petrol should be blended with a certain percentage of alcohol before it is sold in the State as motor fuel and that the action to be taken in pursuance of this decision is being considered. The Resident would be very grateful if the Mysore Government would kindly defer the initiation of any legislation in this matter until he is able to communicate to them the comments of the Crown Representative on it.

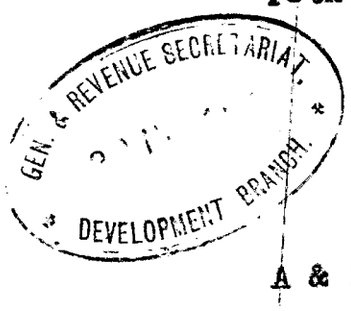
I have the honour to be,
Sir,
Your most obedient servant,

SECRETARY TO THE RESIDENT.

BJ

52

Letter No. R. Dis. F. 280-38/R.O.II dated the 18th May 1938 from the Secretary to the Hon'ble the Resident to the Secretary to Government, Development Dept.



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I am directed to refer to your letter No. Pol. 1234/A & E 99-37 dated the 7th May 1938.

2. The Resident has informed the Crown Representative of the proposals of the Government of Mysore. In their letter No. Pol. 1004/A & E 99-37, dated the 10th March 1938, they informed the Resident that they would like to prescribe that petrol should be blended with a certain percentage of alcohol before it is sold in the State as motor fuel and that the action to be taken in pursuance of this decision is being considered. The Resident would be very grateful if the Mysore Government would kindly defer the initiation of any legislation in this matter until he is able to communicate to them the comments of the Crown Representative on it.

" Copy "

GEN. & REVENUE SECRETARIAT
23 MAY 1938
DEVELOPMENT BRANCH.

Letter No. R. Dis. F. 280-38/R.O.II dated the 18th May 1938 from the Secretary to the Hon'ble the Resider to the Secretary to Government, Development Dept.

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" Copy "

Submitted to Dewan.

19.5.38.

20-5-38

57

ಆಡಳಿತ 49-37-14

Rd 1316.
d 28.5.38

To

The Secretary to the Hon'ble
the Resident in Mysore,
Bangalore.

Sir,

I am directed to acknowledge the receipt of your letter No. R.Dis.F.280-38/R.O.II dated 18th May in regard to the proposed legislation in Mysore to prescribe that a certain percentage of alcohol should be blended with petrol sold locally. His Highness' Government trust that the views of His Excellency the Crown Representative will be communicated at a very early date.

I have etc.,

Secretary to Govt.,
Development Dept.

TELEPHONE No. 2133

AtE 99-37

5529. Camp Dairy Nob.

50

FACTORY : MANDYA
(MYSORE STATE)

THE MYSORE SUGAR COMPANY, LTD.

TEL : ADD : 'MYSUGAR'

CODES USED :

A. B. C. 5TH EDN. & BENTLEY'S

"SANTHI BHAVAN"
SESHADRI ROAD

BANGALORE, 11th June 1938.

REF. No.B-14.10/10252

AtE 99-37-15

SECOND MEMBER
13 JUNE 1938
No. 9592

13/6

The Secretary to Government,
Development Department,
BANGALORE.

Dear Sir,

Re. Legislation for compulsory mixing of Absolute Alcohol with Petrol.

With further reference to our Chairman's D.O. letter dated 29th April 1938, we enclose herewith copy of a communication which we have received from the Burmah-Shell Oil Storage & Distributing Company of India, Limited, Madras, for the information of Government.

Yours faithfully,
THE MYSORE SUGAR CO. LTD.

R Ramachandra Iyengar

SECRETARY

DEVELOPMENT BRANCH

RAS:GPK
Encl. 1

For perusal

12.6.38. 13/6

14/6/38 14.6.38. 13/14/6

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

55

General and Revenue Secretariat

Dated, Bangalore, 28th May 1938.

No: Rol 1316

From M. Venkatanaranappa, Esq., B.A.,

Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

The Secretary to the Hon'ble the Resident in Mysore,
Bangalore.

Sir,

I am directed to acknowledge the receipt of your letter No. R.Dis.F.280-38/R.O.II dated 18th May in regard to the proposed legislation in Mysore to prescribe that a certain percentage of alcohol should be blended with petrol sold locally. His Highness's Government trust that the views of His Excellency the Crown Representative will be communicated at a very early date.

I have the honor to be,
Sir,
Your most obedient servant,

Secretary to Government,
Development Department.

57

Copy of 'Private and Confidential' letter No. N.M.19(e) dated 6th June 1938 from the Burmah-Shell Oil Storage and Distributing Co. of India, Ltd., Madras, to the Secretary, Mysore Sugar Company, Limited, Bangalore.

POWER ALCOHOL.

We write in continuation of our letter of the 23rd ultimo and with reference to your letter No. 2311-14 of the 16th April, from which we have noted that the Government of Mysore have under contemplation the possibility of the use of absolute alcohol, to be manufactured by the Mysore Sugar Co. Ltd., for admixture with Petrol and subsequent utilisation as a motor fuel, and that the Government have under contemplation the introduction of legislation to make it compulsory for the oil distributing companies to mix a certain quantity of alcohol with Petrol before selling the latter as a motor fuel within the State.

We have given consideration to the various points which this proposal creates and we can say in the first place that in the event of the Government of Mysore, after consideration of the proposal which they have under contemplation and after consideration of its economic aspects, deciding that the proposal is a wise and practicable one to adopt, we should be willing to assist in the distribution of alcohol mixed with Petrol for use as a motor fuel.

We have given consideration to the methods which could best be adopted should the Government of Mysore ultimately decide to proceed with the proposal.

We would advocate that the necessary legislation should take the form of requiring the admixture of a specified percentage of alcohol in all Petrol sold in a defined area within the State. Both the defined area and the percentage of alcohol could be variable on reasonable notice, but of course

the percentage of alcohol would at all times have to be fixed within such limits as would result in the mixed fuel giving reasonable performance in automotive vehicles. A necessary complement of this legislation would be the prohibition of the sale of unmixed Petrol within defined area.

As regards method of mixing and distribution, we are of the opinion that the best plan would be for the alcohol to be delivered for blending free of all charges to certain of our Petrol Depots, and of course the depots of the other established Petrol Distributing Companies participating, within the Mysore State. These Depots should be selected by us and the other established Distributing Companies as the most suitable to avoid incurring as far as possible the additional road or rail freight charges, such Depots to be specifically licensed for mixing purposes, and legislation being enacted to confine mixing to such selected Depots. At these licensed Depots we should provide the necessary storage and mixing facilities, recovering the cost of such facilities in our charges. It must of course be stipulated that the alcohol supplied should be denatured 99.5% anhydrous and of a quality entirely suitable for blending with Petrol, the alcohol to be officially tested for conformation therewith and for purity before we accepted responsibility for distributing it.

We can advise that we have estimated that our present day on-costs incurred, and to be recovered by us in the selling prices of the mixture, would amount to 5 Annas a gallon, made up below:-

Commission to be paid to our dealers	Rs.0	2	0
Interest & Depreciation on Depots and selling facilities, operation expenses, leakage, delivery, inspection and administration ..	0	2	0
Mixing charges, including the cost of facilities which we should have to provide	0	0	6
Selling commission for us, including allowance for delcredere risk	0	0	6
Total	Rs.0	5	0

We have suggested that the alcohol should be sold to us at the selected Depots free of all charges, and our proposal is that we should pay a reasonable fixed price for the alcohol so delivered. We mean thereby a fixed price at any one point, and not necessarily a fixed price over a wide area. Further the fixation of the price to be paid by us to the State could be for a period and subject to alteration on reasonable notice. With a reasonable price for the purchase of the alcohol decided upon, we should control and, when necessary, vary our selling prices of the mixture in such a way as to yield the return on the Petrol which we might require to obtain from time to time, and to yield the return on the alcohol which the State would require together with the charges incurred by us thereon.

We trust the suggestions we have made in the foregoing will be of assistance to you in your consideration of the scheme which you have under contemplation.

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The reply to this communication should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

CONFIDENTIAL.

R. Dis. No. F. 280-38 / R.O. II.

GEN. & REVENUE SECRETARIAT. - 5 JULY 1938 - DEVELOPMENT BRANCH.

73

FROM

THE SECRETARY TO THE HON'BLE THE RESIDENT IN MYSORE.

To

A&E 99-37-16

The Secretary to the Government of
His Highness the Maharaja of Mysore,
Development Department.

Dated Bangalore, the 4th July *1938*.

98

Manufacture of absolute alcohol.

SIR,

I am directed to refer to your letter No.Pol.1316/ A & E 99-37, dated the 28th May 1938.

2. The Political Department write that the announcement of the Mysore Government's intentions have been noted by them. They explain that the Central Government reserves to itself the right, should it be found necessary at any time, to protect its own revenue interests (a) by prohibiting the importation of the mixed motor fuel into territories under British Indian administration or taxing it on such importation and (b) by making such adjustments as may be suitable in connection with the distribution of the share of the petrol tax, two and half annas per gallon, which is assigned to the Road Fund.

OFFICE OF THE FIRST MEMBER OF COUNCIL JUL 5 1938 No. 153.

I have the honour to be,
Sir,
Your most obedient servant,

SECRETARY TO THE RESIDENT.

153 5/7. Dewan

5.7.38. 6/7

6-7-38. 6/7 7.7.38.

TELEPHONE No. 2133

FACTORY : MANDYA
(MYSORE STATE)

THE MYSORE SUGAR COMPANY, LTD.

TEL : ADD : 'MYSUGAR'
CODES USED :
A. B. C. 5TH EDN. & BENTLEY'S

"SANTHI BHAVAN"
SESHADRI ROAD
BANGALORE, 7th July 19 38.

REF. NO. B-14.3/11276

GEN. & REVENUE SECRETARIAT
- 9 JUL 1938
DEVELOPMENT BRANCH

My dear Mr. Venkatanaranappa,

Re: Legislation for compulsory mixing of Absolute Alcohol with Petrol.

Further to this Office letter No.B-14.10/10252 dated the 11th June 1938, I am enclosing herein a copy of letter No.M.M.19 (e) dated 5th July 1938 from Messrs. Burmah Shell Oil Storage & Distributing Co. of India, Ltd., Madras, as also a copy of letter No.3748 dated the 24th June 1938 received from the Standard Vacuum Oil Co. Madras, on the above subject, for the information of the Government.

Yours sincerely,

Ramachandramandyam

M. Venkatanaranappa, Esq., B.A.,
Secretary to Government,
Development Department,
Government of H.H. the Maharaja of Mysore,
BANGALORE.

ENCL: 2.

RAS:TRR.

COPY

THE MYSORE SUGAR Co., LTD.,
BANGALORE

Copy of letter M.M.19 (e) dated 5th July 1938, received from Messrs. Burmah Shell Oil Storage & Distributing Co. of India, Ltd., Madras.

Power Alcohol.

We write with reference to our letter M.M.19 (e) of the 6th June which you have acknowledged in your letter B-14/ 10227 of the 10th June 1938.

It has occurred to us that we should perhaps have made it clearer in our letter of the 6th June that our proposal is that we and other Oil distributing Companies should of course act as Selling Agents for the sale of the Alcohol, returning to the State from the proceeds of the sale of the Motor Spirit mixture the fixed price determined upon for the Alcohol. Stock statements should be rendered monthly to the State of receipts, stocks and issues of the Alcohol, and also account sales, and payment for the quantity of Alcohol sold during the month should be required within two months.

We would stress the importance which must be attached to the necessity to which we referred in our letter, of effective legislation prohibiting the sale of unmixed Petrol within the defined area where a mixture is to be sold if the scheme is to be at all workable. For a wholly separate nation such as one on the Continent of Europe where international customs arrangements are complete, this matter is simple but it will be essential in the Mysore State if a mixture is to be sold in a defined area to devise completely effective steps to prevent pure Petrol entering the area except when expressly consigned to a licensed blending depot for admixture with Alcohol.

Since we wrote our earlier letter we have seen some interesting figures of the uneconomic proposition which Power Alcohol has proved elsewhere. This fundamental issue of the economics of the proposition which has first to be settled, will, of course, be receiving the most careful consideration of the Mysore Government before anything further is decided, and on the production cost figures etc., we have learnt of so far, it must be admitted that the

prospects do not look very hopeful, and the Mysore Government will have no wish to impose any financial burden on an important section of the population of the State. It is estimated on a conservative basis that the loss to Continental countries in Europe of a policy of utilising alcohol for motor spirit in the year 1937 amounted to the equivalent of Rs.26,66,00,000/- .

Yours faithfully,

TRR/-

C O P Y

Copy of letter No.3748 dated June 24, 1938, marked PRIVATE & CONFIDENTIAL, from the STANDARD-VACUUM OIL CO., to THE SECRETARY, MYSORE SUGAR CO. LTD., BANGALORE.

Sir,

In reply to your letter No.2311/14 of the 16th April, 1938, we have the honour to advise that if the Mysore Government should decide to enact legislation making it compulsory for the petrol companies to mix a certain percentage of absolute alcohol with petrol before distributing it for sale ~~as sale~~ as motor fuel, we would, of course, co-operate to the fullest extent. In the event the proposal materialises, we su-ggest that legislation cover the following points:-

(a) Provision for fixing the percentage of 99.5% alcohol required in the blend. We suggest ~~10%~~ 10%-15% for best results in use.

(b) Provision for specifying the area in which the blended product must be sold.

(c) Provision for the oil companies to act as selling agents for the Mysore Government for alcohol manufactured within the State and delivered to the oil companies at their various depots.

(d) Provision for fixing the gross return per gallon required by Government for alcohol delivered to each of the various bulk depots of all oil companies free of all charges, these gross return rates to include excise payable by the suppliers, and the petrol companies' charges referred to in the next paragraph.

(e) Provision for the companies to remit to the suppliers in the first week of the second month after date of delivery the sales proceeds of the quantities of alcohol sold by the companies, allowing the companies as selling agents at the time of making payment to deduct from the gross returns their charges for mixing, general operation, dealer commission, oil company selling commission and additional delivery or freight charges not recovered in the selling price. We have estimated that our charges would be approximately as follows:-

65

	Per Gal.
1. Mixing charges, the companies to supply the necessary facilities	Rs. 0 0 6
2. General operation charges including interest and depreciation on investment, depot operation expenses, leakage and evaporation and general supervision charges	,, 0 2 0
3. Commission to be paid to our dealers ..	,, 0 2 0
4. Selling commission to us including allowance for del credere risk ..	,, 0 0 9
5. That part of excess freight and transportation on alcohol content of motor fuel shipped to outstations where these charges are not recovered in the selling price ..	,, Variable

(f) Provision for permitting the oil companies to alter the selling price of the blend when necessary to obtain the return on the petrol content of the mixture that they may from time to time require.

(g) Provision for means to prevent the importation of pure petrol from outside the affected areas. Natural preference for pure petrol or a price for pure petrol out side the area lower than the price of a blend within the area would create a strong temptation to illegally import pure petrol. Unless means where provided to prevent such importations, the effectiveness of the measure as a whole would be seriously affected.

(h) Provision for publishing monthly in the Government Gazette the quantities of alcohol received, issued, and paid for by each oil company.

We attach hereto notes covering a few of the points which we believe might well be considered in arriving at a decision regarading the proposal to make compulsory the mixing of alcohol with petrol.

We have the honour to be,
Sir,
Your most obedient servants,

DEC/N.

Signed

MANAGER.

NOTES REGARDING THE USE OF ALCOHOL-PETROL BLENDSWITH PARTICULAR REFERENCE TO PROPOSALS OF THE GOVERNMENT OF MYSORE.

There are a wide variety of opinions regarding the suitability of alcohol-petrol blends for motor fuels, but the following points regarding the advantages and disadvantages of such a fuel and other details appear as far as we can determine to be fairly widely recognised:-

(a) Best results are obtained with blends containing 10-15% of 99.5% anhydrous alcohol.

(b) Within the percentage given above, the addition of alcohol increases the anti-knock tendency of the fuel by 3-8 octane number, depending on the percentages of alcohol and the characteristics of petrol contained in the mixture.

(c) The addition of alcohol increases vapour lock tendency.

(d) The alcohol content of a blend causes less carbon than pure petrol due to drier combustion.

(e) The drier combustion resulting from the use of alcohol has an adverse effect on cylinder lubrication with the resultant increase in cylinder wear, which can only be offset by the addition of the proper quantities of lubricating oil to the motor fuel at an additional expense.

(f) With a blend containing 10% alcohol, 4-5% more blended fuel than pure petrol is required to do the same amount of work. Similarly, the fuel consumption using a blend containing 15% alcohol is higher than that of pure petrol by 6-7%. This is caused by the fact that pure petrol has a calorific value approximately 75% higher than alcohol.

(g) The presence of water in small quantities in an alcohol-petrol blend can readily cause separation.

The economic aspect of using motor petrol blended with alcohol, of course, requ-ires very thorough investigation and this feature is undoubtedly being given the careful attention of the Mysore Government.

We are without accurate information on this subject but we have assumed that the cost figure of Re.0-12-0 per gallon mentioned in your letter includes the cost of the product and the cost of stroage, mixing, distribution and selling. You have made no mention of excise to be levied on alcohol used as motor fuel, but we have assumed that this will add Re.0-10-0 per gallon to the suggested cost fugure making a total of Rs.1-6-0. If the tentative cost

figure of Re.0-12-0 per gallon does not include all expenses listed above, then the gross cost would be even greater than Rs.1-6-0 which would further increase the cost of the blended fuel in comparison with petrol. Should world prices at a later date make it necessary to reduce the selling price of pure petrol, the differntial would be still fur ther increased to the di-sadvantage of the blended product. In comparing costs, it should be remembered that at level selling rates, pure petrol has a 6%-7% advantage over a 15% blend due to the lesser mileage obtainable from blended fuel.

Any appreciable difference in price between blended fuel in Mysore State and the cost of pure petrol in adjoining territory would make difficult and expensive the task of preventing pure petrol from being illegally imported into the State due to the absence of customs barriers.

The question of the desirability of burdening motor fuel consumers with what may prove to be an uneconomic product is one which the Mysore Government must necessarily decide.

68

D-202 | 48/E-99-37
encl—1

11th July 19

Dear Sir,

I am desired to forward herewith for favour of information copy of letter No.R. Dis.F.280-38/R.O.II dated 4th July 1938 - from the Secretary to the Hon'ble the Resident in Mysore regarding the manufacture of absolute alcohol in the Mandya Sugar Factory.

Your sincerely,

Rajamantrapravina Diwan Bahadur
K.Matthan, Esq.,B.A.,
Chairman, The Mysore Sugar Co.,Ltd.,
BANGALORE.

6 c.
1

Appendix F G—1]

SUBJECT.....

.....

.....

Two drfts
(1)

Section A+G

File No. 99-37

Serial No.

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

the *193* .

Date of issue 14/7/38

Signed by Mr. M.V

Z

pencil-ed to

No pol. 1034/A+G 99-37-5 d 10/3/38 to the Secy to the Hble the Resident

No D.S 7-280-38/R.O. II d 30/3/38 from the Secy to the Hble the Resident

No pol. 1234/A+G 99-37-12 d 7/5/38 to the Secy to the Hble the Resident

No R.S. 7-280-38/R.O. II d 18/5/38 from the Secy to the Hble the Resident

List of enclosures.....

1316/A+G 99-37-14 d 28/5/38 to the Secy to the Hble the Resident

Copied by.....

14/7/38

Examined by.....

No. D 335/secl

Dear Sir,

In continuation of my D.O. letter no. D.202/A+G 99-37 d 11/7/38. I am desired to forward herewith copy of this office letter no. pol. 1234/A+G 99-37-12 d 7/5/38 to the Secy to the Hble the Resident in Mysore) regarding the manufacture of absolute alcohol by the Mysore Sugar Co & introducing legislation for mixing a certain percentage of it with petrol for use as motor fuel.

Yours Sincerely

14/7/38

To Rajamantrapravina
Diwan Bahadur
K. Matthan Esq., B.A.,
Chairman, The Mysore Sugar Co.

WD 0278—GPB—30,000—4-3-38

D 336

14th July 1938.

Dear Sir,

With reference to your letter No.B.14.3/11276 dated 7th July 1938 regarding legislation for compulsory mixing of Absolute Alcohol with Petrol, I am desired to request you to furnish the remarks of the Sugar Company on the points raised in letter No.M.M.19(e) dated 5th July 1938 from -- Messrs Burmah Shell Oil Storage and Distributing Company of India, Ltd. Madras.

Yours faithfully,

R. Ananthasubramanyam, Esq., B.A., B.L.,
Secretary, The Mysore Sugar Company Ltd

Appendix F G—1]

SUBJECT.....

.....

.....

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

the *193* .

Date of issue 14/7/38

Signed by Mr. M.V

List of enclosures.....

Copied by.....

Examined by.....

Two dfts (2)

Section A&G

File No. 99-37

Serial No.

No. D 336

Dear Sir

With refce to
your letter no. B-14.3/11276 d 7/7/3
re legislation for Compulsory
mixing of Absolute Alcohol
with petrol, I am directed
to request you to furnish
the remarks of the Sugar Co
on the points raised in lette
No. M.M. 19(e) d 5/7/38 from Messrs
Burmah Shell Oil Storage & Distri-
buting Co. of India, Ltd., Madras

Yours faithfully

16/7/38

13/7/38.

To R. Ananthasubramanyam Esq
Secy,
The Mysore Sugar Co. Ltd

Appendix F G—1]

SUBJECT .....

.....

.....

Urgent

Section A & E

File No. 99-37

Serial No. —

No. D.1056

To The Excise Comr

Sir,

I am directed to request you to be so good as to send for reference & return copies of the Regulations ~~rules~~ thereunder in force in other countries regarding the ~~manufacture~~ mixing of absolute alcohol and ~~its use~~ with petrol for use as motor fuel.

The matter may kindly be treated as very urgent.

I have &c.

for Secretary

8/8/38

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *193*

Date of issue..... 10.8.38

Signed by ..... Mr. K. Srinivasan

Subd for approval.

8/8/38.

Issue 10/8/38

It is ascertained that Copies of such legislation Enactments are available in your office.

List of enclosures.....

TYPING SECTION GEN. & REV. SECT.

Copied by.....

Examined by.....

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

URGENT.

Dated, Bangalore, 9th August 193 8

No. D. 1056

From

The *Secretary to the Government of His Highness the Maharaja of Mysore,*
Development Department.

To

The Excise Commissioner in Mysore,
Bangalore.

Sir,

I am directed to request you to be so good as to send for reference and return copies of the Regulations and Rules thereunder in force in other countries regarding the mixing of absolute alcohol with petrol for use as motor fud It is ascertained that copies of such legislative enactments are available in your office.

The matter may kindly be treated as very urgent.

I have the honor to be,
Sir,
Your most obedient servant,

10.8.

For Secretary to Government,
Development Department.

SR/2

Postal Address:—
POST BOX No. 5.
Telephone No. 2353

Tel. Address:—
"EXCOMR," BANGALORE.

GOVERNMENT OF MYSORE.

EXCISE DEPARTMENT.

In reply, refer to
No. A-2-2397/38
Encls. ~~one~~ Reply

OFFICE OF THE EXCISE COMMISSIONER
IN MYSORE.

Dated Bangalore, the 12th August 193 8
13

FROM

H. V. Ramaswami, Esq., M.A., B.L.,
~~The~~ *Excise Commissioner in Mysore.*

GEN. & REVENUE SECRETARIAT. 870. 15 AUG 1938 DEVELOPMENT BRANCH.

To

M. Venkatanaranappa, Esqr., B.A.,
Secretary to the Government of
His Highness the Maharaja of Mysore,
Development Department, Bangalore.

S i r,

With reference to your letter No.D-1056/A.& E.99-37- dated 9/10th August 1938 re: Regulations and Rules in force in other countries for the mixing of Absolute Alcohol with Petrol, etc., I have the honour to forward herewith, for reference and return copies of the enactments in Chile, Brazil and Czechoslovakia (Parts 31 and 44) regarding the use of alcohol for industrial purposes.

I have the honour to be,
Sir,
Your most obedient servant,

H V Ramaswami
Excise Commissioner.

Received the copies of enactments referred to above.
Bhandarakkaniah
Clerk, Excise Commr's Office.
22/11/38.

mdm.

Enclosure to letter No B-14.3/
12543d 12/8/38
from the Chairman
The Mysore Sugar Co.

THE MYSORE SUGAR COMPANY, LTD:

MANUFACTURE OF ABSOLUTE ALCOHOL IN THE DISTILLERY, MANDYA

The Government of Mysore in their Letter No. D-6128/ A & E., 99-37-4 dated 22nd February 1938 communicated their approval to the proposal of the Mysore Sugar Company, Ltd., to proceed with the scheme for the manufacture of Absolute Alcohol and stated that action would be taken to introduce the necessary legislation. The scheme referred to has been outlined in the note enclosed with the Company's Letter No. B-14.3/3952 dated 3rd Jan. 1938 to Government.

On receipt of the Government's approval as stated above, the Mysore Sugar Company placed orders for the additional equipment required and have also put in hand the necessary alterations and additions to the Distillery Building at Mandya. The total capital cost on account of these amounts to Rs. 90,000/- made up as follows:-

1) Plant & Additional Equipment	..	Rs. 50,000/-
2) Boiler & Chimney including erection	..	30,000/-
3) Additional Building	..	10,000/-
Total	..	Rs. 90,000/-

The plant is expected to arrive in India in the middle of September and it is hoped that it will be possible to have it erected and put in operation before the end of December 1938.

Necessary legislation has to be passed before the Absolute Alcohol can be put in the market. The nature of of the legislation will have to be that Government take to themselves the power to prescribe that in any area or areas

to be notified, no petrol can be sold except with an admixture of a specified percentage of Alcohol, such percentage to be notified from time to time but not to exceed a maximum to be laid down in the Act so as to ensure that the mixture will give satisfactory performance in automotive vehicles. It will further have to be laid down that the Alcohol to be used for such compulsory admixture shall be of a strength of not less than 99.5 per cent and shall be purchased from a person or Company duly authorised by the Government to manufacture the same and that the Government shall have the right to regulate and control the price to be paid for the Alcohol and the price at which the Vendor of petrol shall sell the mixture.

As regards the area in which this compulsion has to be enforced, it would appear that so long as the Civil & Military Station of Bangalore is under a different jurisdiction, it would be difficult to enforce compulsion in the limits of the Bangalore City also. Further, the transport of Alcohol from Mandya to stations on the Broad Gauge will involve various difficulties and extra cost. The bulk installation of petrol which serves the Kolar District is located at Bowringpet and consequently it is also convenient that the greater part of this District be also excluded for the present from the operation of the compulsory legislation.

The consumption of Petrol in Bangalore City is estimated at 11,22,140 Gallons per annum while the consumption in the rest of the State exclusive of the Civil & Military Station is estimated at 14,13,238 Gallons per annum.

The maximum production of Absolute Alcohol in the

plant under installation is 4,30,000 Gallons. Taking into account the existing demand under Potable Alcohol, Rectified Spirit, Denatured Spirit and Power Alcohol needed for the Company's transport system, all approximating to a total of 3,30,000 Gallons in terms of 99.5% alcohol, the balance that would be available for admixture with Petrol would be about 1,00,000 Gallons. The production in the beginning would naturally be somewhat less but as the plant settles down to normal working conditions, the total quantity of Absolute Alcohol that is available for admixture with Petrol would reach the figure of 1,00,000 Gallons.

In countries where legislation has been enforced for compulsory admixture of Alcohol with Petrol, the percentage of Alcohol to be mixed with Petrol has been laid down in varying proportions ranging between 10 and 25% of the total mixture. Having regard to the atmospheric conditions prevailing in the Mysore State, it is believed that 15 to 20% of Absolute Alcohol in the mixed motor fuel would give the best results and it is suggested that for the present, while the maximum to be laid down in the Act may be 25% the proportion to be actually fixed may be 10% or 15%.

The quantity of Absolute Alcohol that would be produced in the factory will not thus be more than can be used up within the limits of the State (excluding Bangalore City and Kolar District). When it becomes possible to extend the compulsory legislation over the whole State, the additional quantity of Absolute Alcohol that would be required, could be made available by expanding the Distillery and also, if necessary, by reducing the sale of Denatured Spirits to distant markets.

The present cost of production of 96% alcohol in

the Distillery at Mandya, charging Rs. 7/- per ton as the price of Molasses, works out to Rs. 0-5-4 per gallon. For the production of Absolute Alcohol, the extra cost is the cost of extra steam, cost of Benzene and Depreciation on the additional Plant. These are estimated to cost Rs. 0-1-10 per gallon, making a total of Rs.0-7-2 per gallon. Making a small addition for unforeseen and incidental expenses, the cost of producing Power Alcohol at Mandya, may be said to be Rs. 0-8-0 per gallon.

The procedure for the distribution of the Absolute Alcohol would have to be somewhat as follows:- The Absolute Alcohol will have to be transported over the railway in tank wagons to the bulk installations of Petrol established by the various Petrol Distributing Companies. These companies, namely, The Burmah Shell Oil Storage & Distributing Co.(India) Ltd., and the Standard Vacuum Oil Company of New York, which are the only two companies which have at present any bulk installations, have agreed to undertake the mixing of the Alcohol with Petrol, installing the necessary mixing plant and also Storage Tanks at their own cost. The trarsport from the bigger installations to the various sub depots and Kerbside Pumps will of course be undertaken by these distributing companies themselves.

The cost of transport of Alcohol from the Distillery at Mandya to the bulk installations is estimated to average 1 anna per gallon. In previous estimates, it was thought that the Petrol Companies would accept 2 annas a gallon as sufficient remuneration for their distribution and other charges. It is now learned that their cost on this account is Rs. 0-5-0 to Rs. 0-5-3 per gallon. The figures given by the Burmah Shell Company and the Standard Oil Company are exhibited below:-

SD

(1) BURMAH SHELL CO.:

Commission to be paid to dealers ..	Rs. 0	2	0
Interest & Depreciation on Depots and selling facilities, operation expenses, leakage, delivery, inspection and administration	0	2	0
Mixing charges, including the cost of facilities which will have to be provided	0	0	6
Selling Commission for selves, including allowance for delcredere risk	0	0	6
Total	Rs. 0	5	0

(2) STANDARD VACUUM OIL CO.:

Mixing charges, the companies to supply the necessary facilities	0	0	6
General operation charges including interest and Depreciation on investment, depot operation expenses, leakage and evaporation and general supervision charges	0,	2	0
Commission to be paid to dealers	0	2	0
Selling commission to selves including allowance for delcredere risk	0	0	9
Total	Rs. 0	5	3

The price at which the admixture has to be sold to the general public, would obviously not have to be more than the price at which petrol is available. The present price of petrol sold in the State is understood to range from Rs. 1-5-6 per gallon to Rs. 1-6-6 as specified below:-

Bangalore City	..	Rs. 1- 5- 6
Mysore	..	Rs. 1- 6- 0
Moffusil places	..	Rs. 1- 6- 6

Making the price at Bangalore as the standard, it will be seen that after providing 8 annas as cost of manufacture,

1 anna for transport and Rs. 0-5-3 for distribution charges of the Petrol Companies, there is a balance of Rs.0-7-3 out of which will have to come a small profit to the Sugar Company and such duty as the Government may be pleased to fix.

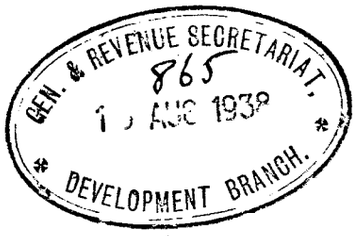
The admixture of Petrol with Alcohol makes the mixture unfit for drinking purposes and the percentage of Alcohol in the mixture being small, its separation although feasible, is not worth anybody's while. In America, there is no Denaturant required to be added to Alcohol when intended for admixture with Petrol. In Great Britain, however, a Denaturant is added and that Denaturant is Methanol and the cost of the Denaturant is met by the Inland Revenue Authorities. If in Mysore a Denaturant is considered necessary, it is suggested that a similar procedure as in Great Britain may be adopted. It may be noted here that the Power Alcohol Committee set up by the Governments of the United Provinces and Behar have made a similar suggestion that the cost of the Denaturant, if any, should be met by the Government Excise authorities.

Madras
12/8/38

KM/CNV
12-8-38)

August 13, 8

D.O. 16.



Dear Mr. Matthan,

I have received the note on the manufacture of absolute alcohol which you have so kindly sent me with your D.O. letter No.B-14.3/12543 dated the 12th August 1938. Many thanks. Necessary action will be taken on receipt of the draft bill which you have kindly promised to send in a day or two.

Yours sincerely,

Sd/- N. Madhava Rau.

Rajamantrapravina
Diwan Bahadur K. Matthan,
Chairman, Mysore Sugar Co.,
"Santhi Bhavan", Seshadri Road,
B A N G A L O R E.

memo no. 16-1.

The matter may be dealt with quickly., so that the general principles of the Bill may be placed before next R.A. meeting

Development Secretary
with compliments.

NW
13 8
Please up & S.C.
refer

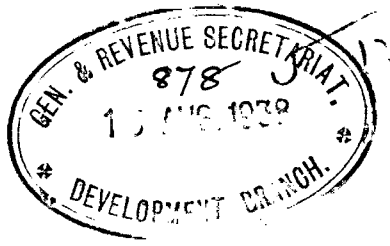
THE MYSORE SUGAR COMPANY, LTD.

RAJAMANTRAPRAVINA DIWAN BAHADUR
K. MATTHAN
CHAIRMAN

"SANTHI BHAVAN"
SESHADRI ROAD
BANGALORE

Ref. No. B-14.3/12824

15th August 193 8



My dear Mr. Madhava Rau,

As promised in my letter of the 12th inst., I enclose for consideration a tentative draft bill for compulsory admixture of alcohol with petrol.

Yours sincerely,

K. Matthan

Rajamantrapravina
N. Madhava Rau, B.A., B.L.
Member of Council,
BANGALORE

KM/CNV
Encl.1

D R A F T

AN ACT TO PROVIDE FOR THE MIXTURE OF ALCOHOL WITH PETROL FOR USE AS MOTOR FUEL IN MYSORE

Preamble. Whereas it is expedient to make provision for the development of the Power Alcohol industry in Mysore by requiring its compulsory admixture with petrol for use as motor fuel, it is hereby enacted as follows:-

Short Title, and Extent: 1. (1) This Act may be called the Power Alcohol Act, 1938.

(2) It extends to the whole of Mysore.

Definitions. 2. In this Act, unless there is anything repugnant in the subject or context -

(a) "Distillery" means any premises wherein or within the precincts of which alcohol is distilled from Molasses;

(b) "Petrol" means dangerous petroleum as defined in the Mysore Petroleum Act, I of 1923.

(A)

3. (1) The Government may, by notification in the Official Gazette, direct that in any local area no petrol shall, from such date as may be specified in such notification, be sold or kept for sale except with an admixture of anhydrous Alcohol manufactured in the State.

(2) The Alcohol to be employed for such

admixture shall be obtained from a distillery established by or with the sanction of Government and the price to be paid to the owner of the distillery for the alcohol shall be fixed by Government from time to time.

(3) The proportions of petrol and alcohol in such mixture shall be as notified by Government in respect of each local area and may be enhanced or reduced from time to time but the proportion of alcohol in the mixture shall in no case be more than 25 per cent or less than five per cent by volume.

4. B C Whoever contravenes the provisions of section 3 shall be punishable with fine which may extend to one thousand rupees and in the case of a continued contravention with a further fine which may extend to one hundred rupees for every day during which the contravention is continued after conviction therefor.

5. 6 No prosecution under this Act shall be instituted except under the authority of a District Magistrate.

6. 7 No offence made punishable by this Act or by any rule made thereunder, shall be tried by a court inferior to that of a Magistrate of the First Class.

S. 8 (1) The Government may make rules for the purpose of carrying into effect the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may

(a) prescribe specifications and tests in respect of the purity of alcohol intended for admixture with petrol in order to ensure its suitability for use on motor vehicles;

(b) provide for determining the price to be paid to the owner of a distillery for alcohol supplied for purposes of admixture with petrol;

(c) provide for imposing and collecting a duty of exdise on alcohol intended for admixture with petrol;

(d) prescribe conditions in respect of the transport and storage of alcohol intended for admixture with petrol and for the manner in which the admixture is to be effected;

(e) prescribe the submission by the manufacturers of alcohol and importers and distributors of petrol of returns regarding the quantities of an-hydrous alcohol and petrol, manufactured, purchased, stored and sold.

(3) Rules made under this Act may provide that any contravention of such rules shall render the offender liable on conviction before a Magistrate to a fine not exceeding Five hundred rupees.

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9 (c)

Bangalore)

Modifications Suggested by the Under Secy. Prohibition

1) Add a sub-clause to clause 2
"Alcohol in this Act means Alcohol of not less than 99.5% purity"

2) Add the following as clause 4 and renumber the other clauses
"a Govt. may levy an excise duty on alcohol intended for admixture with petrol sold by any distillery governed by this Act at rates to be fixed by a notification published in the Official Gazette"

3) Add another clause
"Nothing Contained in this Act shall apply to petrol required for aviation"

Modifications Suggested by the Development Secretary

Add the word "ethyl" after "means" and before "alcohol" and at the end "with the addition of suitable denaturants of such kind as may be prescribed under the rules"

The clause after the addition will read as follows.

"Alcohol (~~in this Act~~) means ethyl alcohol of not less than 99.5% purity with the addition of suitable denaturants of such kind as may be prescribed under the rules"

B.

(

GENERAL AND REVENUE SECRETARIAT

Bangalore, Dated, 27th August *193*8.

D. O. No. ಎ 1397 / A ಆ೯ 99-37

Dear Sir,

I am desired to request you to submit at a very early date for the information of Government statistics of petrol sold (by Districts) in the State during the calendar years 1936 and 1937.

The matter may kindly be treated as urgent.

Yours sincerely,

ಇ ಕಾ
27.8.

K. Duraswamier, Esq., B.A., etc.,
Chief Inspector of Mines and Explosives in
Mysore, Bangalore.

Appendix F G—1]

SUBJECT .....

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.....

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *193* .

27.8.38

Date of issue.....

Signed by .....

List of enclosures.....

Copied by .....

Examined by.....

Section A 46

File No. 99-37

Serial No.

No. 41397

~~Dear~~ Sir,

I am desired to request you to submit at a very early date for the information of Govt. Statistics of petrol sold (by Districts) in the State during the calendar years 1936 & 1937.

The matter may kindly be treated as urgent.

Y. S.

IGS

To. K. Duraiswamier, Esq
B.A. etc.
Chief Insp^r of Mines
& Explosives.

27/8/38.

WD 0521—GPB—30,000—12-3-37

1486 P 38

29th August 1938

D.O. 36.

1202

Dear Mr. Matthan,

I wish to acknowledge with thanks the receipt of your D.O. letter No.B-14.3/13278 dated 29th August 1938 suggesting that aviation petrol may be excluded from the operation of the Act to be framed in connection with power alcohol. Necessary action is being taken in the matter.

Yours sincerely,

Sd/- N. Madhava Rau.

Rajamantrapravina
Diwan Bahadur K. Matthan,
Chairman, The Mysore Sugar Co.,
B a n g a l o r e.

M e m o M. 36-1

Copy of the above is forwarded with compliments to the Development Secretary for necessary action.

MM

MW. 29.8.38.

Thomas Esq. 2nd Sec. WJC. 31/8

A.E. 99-37-19

GEN. & REVENUE SECRETARIAT. 31 AUG 1938 DEVELOPMENT BRANCH.

Telegraphic Address:—
"MINESPECTOR"

DEPARTMENT OF MINES AND EXPLOSIVES.

D.O. No. 407
Enc: 1.

Dated Oorgaum, 30th August 1938.
(S. India).

1245

Dear Sir,

With reference to your D.O. letter No.D. 1397/A. & E. 99-37 dated 27th August 1938, I beg to enclose herewith for the information of Government a statement showing the quantities of petrol sold in the several Districts of the State during the calendar years 1936 and 1937.

Yours sincerely,

K. Venkatasami

M. Venkatanaranappa, Esq., B.A.,
Secretary to the Government of
His Highness the Maharaja of Mysore
Development Department,
Bangalore.

Statement showing the quantites of petrol sold in the several Districts of the State during the calendar years 1936 and 1937.

Station	Total sales during 1936		Total sales during 1937	
	gals.		gals.	
Bangalore District.-				
Bangalore City including Cantonment ..	896,746	896,746	1,122,140	1,122,140
Kolar District.-				
Kolar	50,800		57,050	
Bowringpet	11,150		18,552	
Oorgaum	46,132		51,760	
Champion Reef ..	51,850		61,010	
Chickballapur ..	16,090		22,100	
Chintamani ..	9,550		11,550	
Goribidanur ..	..	185,572	500	222,522
Tumkur District.-				
Tumkur	36,095		58,430	
Tiptur	22,400		22,000	
Honnavalli Road ..	..	58,495	600	81,030
Mysore District.-				
Mysore	444,833		537,808	
Chamarajanagar ..	18,768		20,600	
Hosa-Agrahar ..	600		..	
Maddur	13,598		16,938	
Mandya	18,366		22,924	
Nanjangud	9,388		8,488	
Hunsur	8,700		9,568	
Krishnarajanagar ..	4,290		3,730	
Sivasamudram ..	906	519,449	3,270	623,326
Hassan District.-				
Hassan	61,600		62,800	
Arsikere	11,290		15,290	
Banavar	..		1,250	
Sakalespur ..	35,780		38,500	
Holenarsipur ..	7,726	116,396	1,400	119,240
Kadur District.-				
Kadur	5,600		6,500	
Birur	4,900		10,000	
Koppa	31,200		39,200	
Chickmagalur ..	66,880	108,580	70,800	126,500
Shimoga District.-				
Shimoga	113,200		130,800	
Anandapuram ..	10,636		26,500	
Bhadravati ..	363.	124,199	360	157,660
Chitaldrug District.-				
Chitaldrug ..	31,800		45,000	
Davangere	26,800		29,200	
Harihar	..		582	
Hosadurga Road ..	200	58,800	500	75,282
Grand Total.-		2,068,237		2,527,700

K. Duraiswami
CHIEF INSPECTOR OF MINES & EXPLOSIVES IN MYSORE.

RS.

Copy of letter No.M.M.19(e), dated the 7th September'38 from Mr. Orchard, Representative, Burmah-Shell Oil Storage & Distributing Co. of India, Ltd., Madras, to Mr. R. Ananthasubramanyam, Secretary, Mysore Sugar Company, Ltd., Bangalore.

****

My dear Mr. Ananthasubramanyam,

Many thanks for your letter reference No.B-14.3/13689 of the 6th instant and for the kind invitation which you extend to Mr. Johnstone and myself to visit Bangalore on the 10th or 12th. instant for the purpose of discussing with the Dewan and Members of the Council correspondence exchanged between us on the subject of Power Alcohol. Unfortunately Mr. Johnstone is leaving Madras on the 8th instant and will not be returning here until Monday, the 26th instant and it is therefore impossible for him to accept your kind invitation in any case. As far as I am concerned, it will be a difficult matter for me to leave Madras during Mr. Johnstone's absence although naturally I would do my utmost to do so if it came to a question of outstanding importance.

During our conversations in Madras on the 25th ultimo, I explained to you that in this matter of Power Alcohol production in the Mysore State, I am working under the immediate instructions of my General Manager and my London Principals and that I could not express any further views on any proposals which the State may wish to make, or on any draft Bill, without reference to my General Manager and, possibly, London. In these circumstances, therefore, a discussion with the Dewan and Members of the Council during the coming week-end might prove, I fear, somewhat unhelpful from my side. Might I suggest therefore that you acquaint me with the ideas which the State has in mind at this stage when I ca discuss such views with my Principals and visit you later on ?

I would again assure you, that on behalf of my Company, I am only too ready to be of assistance to you in the consideratic of your scheme, but I feel that to obtain the best results from a meeting such as you now suggest, a line on the State's views would be desirable.

I hope that when the visit does materialise your kind invitation to golf and lunch will still hold good.

Yours sincerely,

S/d.. Orchard.

****

" TRUE COPY."

GEN. & REVENUE SECRETARIAT
1938
DEVELOPMENT BRANCH.

(Camp)

16th Sept. 38

My dear Mr. Orchard,

Thank you for your letter No.M.P.19(e) of the 7th instant.

Copies of this letter as well as of the previous letters, dated 6th June and 5th July 1938 have been forwarded to Government.

The Government of Mysore have, we understand, decided to place before the ensuing Session of the Mysore Representative Assembly (commencing on the 28th instant) the general principles of a bill " to make provision for the development of the power alcohol industry in the State by requiring its compulsory admixture with petrol for use as motor fuel." The bill itself will be introduced in the Legislative Council some time later, - probably in December 1938.

I have been able to obtain a copy of the draft bill and have the permission of Government to forward for your information. This, it must be understood, is only a first draft, to be further revised after scrut

(contd)

by the technical advisers of Government.

You will observe that the Government propose to take to themselves the power to prescribe that in any area or areas to be notified, no petrol can be sold, except with an admixture of a specified percentage of alcohol, such percentage to be notified from time to time, but not to be more than 25 or less than 5. The Government will see that the specifications and strength of the alcohol are such as will ensure that the mixture gives satisfactory results in the propulsion of motor vehicles. Distributors of petrol will have to buy the petrol from the licensed producers of the alcohol at prices to be fixed by Government.

The Sugar Company will be in a position to supply annually about 1,00,000 gallons of alcohol of 99.5% strength from about the beginning of 1939 and the quantity is capable of expansion as required.

I suggest that it would be advantageous for petrol interests to offer their remarks and suggestions to Government at the present stage on the proposed legislation.

We understand that Government are disposed to think that the details of cost of mixing and distribution furnished

(contd)

in your letter of the 6th June 1938 are more in the nature of an estimate. They feel that it should be capable of appreciable reduction.

Yours sincerely,

R. Avanthi Subramanyan

M. Orchard, Esq.,
C/o Burmah-Shell Oil Storage & Distributing Co.,
of India, Ltd., Burmah-Shell House,
Post Box No.157,
MADRAS.

98

19th Septr. 8

No. 46.

Dear Mr. Matthan,

I write to acknowledge with thanks the receipt of your D.O. letter No.B-14.3/14101 dated 16th Septembe 1938 forwarding copies of correspondence with the Burma Shell Oil Company regarding the Power Alcohol Bill. I note that a similar letter is being sent to the Standar Oil Company in Madras.

Yours sincerely,

MV

Rajamantrapravina
Diwan Bahadur K. Matthan,
Chairman, Mysore Sugar Co., Ltd.,
Bangalore.

GEN. & REVENUE SECRETARIAT.
24 JAN. 1939
DEVELOPMENT BRANCH.

4683/P
24 JAN 1939

Issued on
24th January 1939

99

3965

D.O 119.

Dear Mr. Matthan,

I have received your letter of the 24th January 1939 with regard to the Power Alcohol Bill. I shall take steps to have the definition "Alcohol" recast in the manner suggested.

Yours sincerely,
Sd/ N. Madhava Rao,

Rajamantrapravina
Diwan Bahadur K. Matthan,
Chairman, Mysore Sugar Co., Ltd.,
Bangalore.

memo no. 119-1

Development Secretary with compliments for taking necessary action. (Mr. Matthan's letter in original is herewith enclosed).

NM
24/1/39

for needful action & return. 119/2

Under Secy. W/C
Prom. Br.

25/1

THE MYSORE SUGAR COMPANY, LTD.

RAJAMANTRAPRAVINA DIWAN BAHADUR
K. MATTHAN
CHAIRMAN

"SANTHI BHAVAN"
SESHADRI ROAD
BANGALORE

24th January 1939

Dear Mr. Madhava Rau,

You will remember that when we had a talk some days ago about the Power Alcohol Bill, you suggested that Mr. Ananthasubramanyam should set about preparing a set of draft Rules under the Act to be passed. I have received a set of draft Rules from him yesterday. On looking through the draft, I find it requires revision. Meantime, since the Bill is coming up before the Legislative Council to-morrow, I would request you to take steps to make a slight amendment of the definition of Alcohol.

In the Bill as originally drafted by me there was no definiton of "Alcohol" because clause 3 (i) lays down that the alcohol must be "anhydrous" and clause 8 (ii) (a) provides for prescribing specifications in respect of the purity of alcohol intended for admixture. With the addition of a definition of "Alcohol" as clause 2 (c) of the Bill, the retention of the word "anhydrous" in 3 (i) and 8 (c) looks rather odd. If Government want a definition of alcohol fixing the purity, to be inserted in the Act itself, I suggest the proposal of the Bihar and United Provinces Committee may be adopted, viz., to definetit as "anhydrous alcohol of 99.4 per cent. purity prior to denaturation".

We are now making alcohol of 99.6 and 99.7 purity. But under conditions of storing and transport, while we have every hope of delivering alcohol of 99.5 purity, it appears unsafe to lay down in the Act anything higher than 99.4. Further, the present definition makes reference "to the addition of suitable denaturant", but it is not clear whether the 99.5 per cent. purity is to be ensured after or prior to the addition of the denaturant. The addition of the denaturant may bring down the purity by one or two points (depending on the nature of the denaturant employed and the quantity used). I, therefore, strongly urge that if a definition of alcohol is to find a place in the Act, it should be "anhydrous Ethyl Alcohol

of not less than 99.4 per cent. purity prior to the addition of the denaturant, if any, that may be prescribed under the Rules".

I may add that 99.5 purity was suggested by the Burmah Shell people. I am advised that this standard is required for blending with high grade petrol such as is offered for sale in England, but is unnecessarily high for the comparatively inferior grade of petrol that we get in India.

Yours sincerely,

Rajamanthrapravina
N. Madhava Rau, B.A., B.L.,
First Member of Council,
BANGALORE.

Appendix F G—1]

SUBJECT .....

.....

.....

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *193* .

Date of issue 31/1/39

Signed by .....

List of enclosures.....

Copied by .....

Examined by.....

Section

File No.

Serial No.

No. P. 4096 / Eur 2 pages —

To

H. V. Ramaswami Esq B.A. B.L.
Excise Commissioner in Mysore
Bangalore

Dear Sir

I am desired to send a Copy of the Report of the Select Committee on the Mysore Prohibition Bill and to request you to return the same with your approval and oblige.

Yours Sincerely.
S.D. A.S.R. Rao

WD 0521—GPB—30,000—12-3-37

103

A. SUNDARARAJA RAO, B.A., B.L.,
Under Secretary to Government.

D. O. D 4 96/Ex 2 pages)

GENERAL AND REVENUE SECRETARIAT,

Bangalore, 31st January 1939.

Dear Sir,

I am desired to send a copy of the Report of the Select Committee on the Mysore Power Alcohol Bill and to request you to return the same with your approval and oblige.

Yours sincerely,
A Sundararaja Rao

Returned with compliments approved
(H Ramaswami)
31.1.39

hg/31/1

H.V.Ramaswami, Esq, M.A., B.L.,
Excise Commissioner in Mysore,
Bangalore.

Report of the Select Committee on the on the Mysore Power Alcohol Bill.

We, the members of the Select Committee to which the Mysore Power Alcohol Bill was referred, have considered the several clauses of the Bill and beg to submit this our Report:--

Clause 2. In sub clause (a), we recommend that the words ~~manufactured~~ 'distilled from molasses' be omitted and the word 'manufactured' be substituted therefor.

Sub Clause (c): The Excise Act of 1901 and the rules framed thereunder already provide for the denaturization spirits. The percentage of purity of alchhol required under this sub-clause is also somewhat high. We, therefore, recommend that the following may be substituted for the existing sub clause :-

"Alcohol" means ethyl alcohol of not less than 99.4 percen purity, denatured according to the provisions of the Excise Act

Clause 3. As the word 'Alcohol' as defined in clause 2 means anhydrous alcohol, we consider the word 'anhydrous' unnec sary and may be deleted.

Clause 8. As no provision is made in the Bill regarding the authorities who should exercise the functions under this Act, e suggest the addition of the following as item (f) under this sub-clause (ii):-

"(f) provide for the authorities by whom functions under this Act are to be discharged and prescribe their duties and powers."

Clause 9. As we find it necessary that petrol required for aviation and for some other special purposes should be exempted from the operation of this Act, we recommend that the following clause may be substituted for the existing clause 9:-

"Notwithstanding anything contained in this Act, Government may, by notification ~~in the official Gazette~~ published in the official Gazette, declare that the provisions of this Act

shall not apply to petrol required for aviation or other special purposes."

Clause 5. Mr. D.S. Mallappa suggested that sub-dealers who innocently sell petrol mixtures supplied by their principals containing less than the prescribed percentage of alcohol should not be subjected to the provisions of clause 5, if on testing, it was found that the petrol sold by them was not of the mixture prescribed under this Act. He suggested that the principals who supply such petrol mixtures must be made liable. If the sub-dealer is found not liable for the defect of the mixture, there should be sufficient scope in the law to exempt him from the operation of this section and to proceed against the persons responsible for the supply of the defective mixture. The majority of the members are, however, of opinion that no provision is necessary for this purpose and that clause 6 of the Bill which provides that no prosecution shall be instituted without the sanction of the District Magistrate, is calculated to secure the object in view.

As the bill has not undergone any material change, we consider it unnecessary to republish the bill as amended by us.

Sd. N. Madhava Rau (Chairman)
" N.N. Ayyangar.
" H.V. Ramasvami.
" M. Venkatanaranappa.
" T.G. Rama Iyer.
". J. Mahomed Imam.
" D.S. Mallappa.
" R.C. Morris.
" B.R. Puttanjappa.

GENERAL AND REVENUE SECRETARIAT

D. O. No. D. 7389 / A & E. 99-37 Dated, Bangalore, 11th February 1939

Dear Sir,

I am desired to state that the Power Alcohol Bill was passed by the Legislative Council at its recent session and the Notification promulgating it into law is separately under issue and to request you to kindly expedite the submission of the draft rules under the Power Alcohol Act to enable further action being taken.

Yours sincerely,

H.N. Pallegar, Esq., M.A., LL.B.,
Secretary, Mysore Sugar Co., Ltd.,
Bangalore.

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Appendix F G—1]

SUBJECT.....

.....

.....

Section AG

File No. 99-37

Serial No.

Diary No. of letter replied to .....

No.

General and Revenue Secretariat

( )

the *193* .

ate of issue..... 11 . 2 . 1939.

Signed by ..Mr. K. Srinivasan.

Dear Sir,

I am desired to
State that the Power Alcohol
Bill was passed by the L. C
at its recent session & the
notification promulgating
it into law is separately
under issue. I to request
you kindly to expedite the submis-
sion of the draft rules under the
Power Alcohol Act to enable
further action being taken

Y. S.

11/2

List of enclosures.....

H. N. Pallegar, Esqr. M.A., L.

Secy. Mysore Sugar Co

Copied by .....

Examined by.....

WD 0278—GPB—30,000—4-3-38

10/2/39

G. R. S. VI.—s-III/14]

DRAFT.

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

Section. Legis
File No. 34 — 38
Serial No. 1

Proceedings of the Government of H. H. the Maharaja of Mysore.

Order No. P 4375 / Genl.

Ordered that the accompanying Act to Provide for the mixture of Alcohol with Petrol for use as Motor fuel in respect

which received the assent of His Highness the Maharaja, on the Seventh day of February 1939, be published as ~~Regulation~~ Act No. VIII of 1939, in the *Mysore Gazette* for general information.

GENERAL AND REVENUE SECRETARIAT,
( )
, *the*.....*191* .

Date of issue..... 14/2/39

Signed by..... Mr. K.S.

14.2.39
General *Secretary to Government.*

May this be—

(i) Printed?

(ii) Treated as a standing order?

(iii) Published in the "Gazette" English part?

(iv) Translated?

(v) Placed at the disposal of the Press?

(vi) Published in the "Gazette" Kannada part?

To 13.2

The Compiler, *Mysore Gazette*, for publication in Part III of the Gazette, in English and Kannada and for supply of .....spare copies in English, and .....~~spare copies~~ in Kannada ~~to this office, and.....spare copies in English and.....spare copies in Kannada to the Curator, Government Central Book Depot, Bangalore~~. Proofs should be sent to this office for approval before publication. as per Standing orders

Copy to Translation Section.

Proceedings of the Government of His Highness
the Maharaja of Mysore.

O R D E R NO.

Dated, Bangalore, the 14th February 1939.

Ordered that the accompanying Act to provide for the mixture of Alcohol with Petrol for use as motor fuel in Mysore which received the assent of His Highness the Maharaja, on th Seventh day of February 1939, be published as A C T No.VIII of 1939, in the Mysore Gazette for general information.

General Secretary to Government.

To

The Compiler, Mysore Gazette, for publication in Part III of the Gazette, in English and Kannada and for supply of spare copies in English, and in Kannada as per standing orders. Proofs should be sent to this office for approval before publication.

mk.4

ACT VIII OF 1939.

(*Received the assent of His Highness the Maharaja on the seventh day of February 1939.*)

An Act to provide for the mixture of Alcohol with Petrol for use as motor Fuel in Mysore.

Price : 0-0-9.

NOTIFICATION.

Order No. P. 4315—Legis. 34-38-1, *dated Bangalore, the 14th February* 1939.

Ordered that the accompanying Act to provide for the mixture of Alcohol with Petrol for use as motor fuel in Mysore which received the assent of His Highness the Maharaja, on the seventh day of February 1939, be published as Act No. VIII of 1939, in the *Mysore Gazette* for general information.

K. SUBBA RAO,
General Secretary to Government.

ACT VIII OF 1939.

(*Received the assent of His Highness the Maharaja on the seventh day of February* 1939.)

An Act to provide for the mixture of Alcohol with Petrol for use as Motor Fuel in Mysore.

Whereas it is expedient to make provision for the development of the Power Alcohol Industry in the State by requiring its compulsory admixture with petrol for use as motor fuel; It is hereby enacted as follows:— Preamble

1. (i) This Act may be called the Mysore Power Alcohol Act, 1939. Short title and extent

(ii) It extends to the whole of Mysore.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context,—

(*a*) "Distillery" means any premises wherein or within the precincts of which alcohol is manufactured;

(*b*) "Petrol" means dangerous petroleum as defined in the Mysore Petroleum Act, I of 1923

(*c*) "Alcohol" means ethyl alcohol of not less than 99·4 per cent purity denatured according to the provisions of the Mysore Excise Act, 1901.

Power to direct sale of mixture.

3. (i) The Government may, by notification in the official Gazette, direct that in any local area no petrol shall, from such date as may be specified in such notification, be sold or kept for sale except with an admixture of alcohol manufactured in the State.

(ii) The alcohol to be employed for such admixture shall be obtained from a distillery established by or with the sanction of the Government and the price to be paid to the owner of the distillery for the alcohol shall be fixed by the Government from time to time.

(iii) The proportions of petrol and alcohol in such mixture shall be as notified by the Government in respect of each local area and may be enhanced or reduced from time to time; but the proportion of alcohol in the mixture shall in no case be more than twenty-five per cent or less than five per cent by volume.

Levy of excise duty.

4. The Government may levy an excise duty on alcohol intended for admixture with petrol, sold by any distillery governed by this Act at rates to be fixed by a notification published in the official Gazette.

Punishment.

5. Whoever contravenes the provisions of section 3 shall be punishable with fine which may extend to one thousand rupees and in the case of a continued contravention with a further fine which may extend to one hundred rupees for every day during which the contravention is continued after conviction therefor.

Prosecution to be authorised.

6. No prosecution under this Act shall be instituted except under the authority of a District Magistrate.

ffences by om to ried.

7. No offence made punishable by this Act or by any rule made thereunder shall be tried by a Court inferior to that of a Magistrate of the first class.

ıles.

8. (i) The Government may make rules for the purpose of carrying into effect the provisions of this Act.

(ii) In particular and without prejudice to the generality of the foregoing power, such rules may—

(*a*) prescribe specifications and tests in respect of the purity of alcohol intended for admixture with petrol in order to ensure its suitability for use on motor vehicles;

(*b*) provide for determining the price to be paid to the owner of a distillery for alcohol supplied for purposes of admixture with petrol;

(*c*) provide for imposing and collecting a duty of excise on alcohol intended for admixture with petrol;

(*d*) prescribe conditions in respect of the transport and storage of alcohol intended for admixture with petrol and for the manner in which the admixture is to be effected;

(*e*) prescribe the submission by the manufacturer of alcohol and importers and distributors of petrol, of returns regarding the quantities of anhydrous alcohol and petrol, manufactured, purchased, stored and sold;

(*f*) provide for the authorities by whom functions under this Act are to be discharged and prescribe their duties and powers.

(iii) Rules made under this Act may provide that any contravention of such rules shall render the offender liable, on conviction before a Magistrate, to a fine not exceeding five hundred rupees.

Exemption of petrol used for aviation.

9. Notwithstanding anything contained in this Act, the Government may, by notification published in the Official Gazette, declare that the provisions of this Act shall not apply to petrol required for aviation or other special purposes.

MIRZA M. ISMAIL,
Dewan.

Printed by the Superintendent at the Government Press, Bangalore